

PAPER MONEY

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NOVEMBER/DECEMBER 2007



Golden Discovery:

Peter Huntoon shares Kidder National Gold Bank high value \$1000 and \$500 designs to go with known lesser value notes



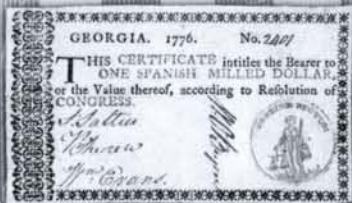
Happy Holidays: John Glynn

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Society of Paper Money Collectors



The Society of Paper Money Collectors (SPMC) was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated with the American Numismatic

Association. The annual SPMC meeting is held in June at the Memphis IPMS (International Paper Money Show). Up-to-date information about the SPMC, including its bylaws and activities can be found on its Internet web site www.spmc.org.

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The Festival of Christmas Depicted on World Paper Currency

by John Glynn

MANY FAMILIAR CHRISTMAS rituals go back centuries, putting up the Christmas Tree, mailing of Christmas cards, pulling the cracker, opening presents and kissing under the mistletoe. The most popular legend that is celebrated by children throughout the world, is the legend of Father Christmas.

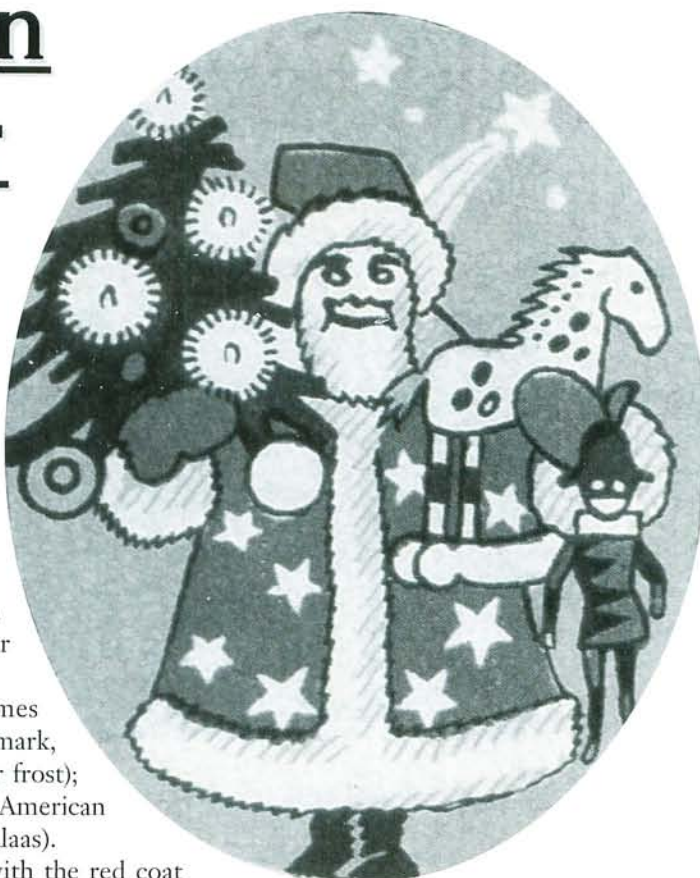
Father Christmas is known by different names around the world. In France he is "Pere Noel"; in Denmark, "Jolinesse"; in Russia, "Dadushka Moroz" (grandfather frost); in Dutch, "Sinterklaas." The name Santa Claus is an American modification to the Dutch name—Sinterklaas (Santa Klaas).

He is recognized by the jolly, chubby, man with the red coat and white beard who drives a sled pulled by eight reindeers and flies above the rooftops, dropping gifts down the chimney for the children. The festival of Christmas is a mid-winter festival lasting twelve days and is celebrated in the majority of countries. It's a time of happiness, joy, family gatherings and singing Christmas carols. Santa also has a town named after him; it's called "Sint Naklaas" in Belgium.

Much more is told about Santa Claus than is known. There is little evidence that he ever existed. He is supposed to have been born in the fourth century AD. According to legend, he resided in a town called Myra that extended along the eastern shores of the Mediterranean Sea, which is located in Lycia and is now incorporated into present day Turkey. Nicholas as he was known in those days, certainly had it hard. He was orphaned at an early age when his parents died from the plague. But inherited wealth which his parents left him, and he pledged to spend it for the benefit of poor people.

The tradition states that Santa was imprisoned during the Christmas persecution by Diocletian, the Roman Emperor and released by Constantine, after which he attended the historic council of Nicaea. He is also credited with numerous miracles which made his tomb in Myra a popular shrine for pilgrims a couple of centuries later.

Many different versions of stories have been told. One story goes that a man had three daughters. They were so poor that he could not afford their marriage dowries. In fact prostitution seemed to be the girls only career option. But a miracle occurred, on each of three consecutive nights, a bag of gold sailed into the poor man's window, a dowry for each of his daughters. On the third night anxious to learn the identity of his benefactor, the father lay in wait. The next day in his gratitude he did not hesitate to let the town know the benefactor was Nicholas. Another story goes, Nicholas climbed onto the rooftop one night and dropped a bag of gold in each pair of stockings hanging in front of the fireplace to dry. The bags of gold landing in each of the stockings giving them dowries to get married. Hence the tradition of Santa Claus coming down the chimney began with this story.



Another story is that it has him turning three balls of brass into bags of gold, which is fitting for the patron saint of pawnbrokers. He is also patron saint of the Greek Orthodox Church, and of Greece, Sicily, Aberdeen Scotland, scholars, travellers, sailors, thieves and children to name a few.

When St. Nicholas passed away, his reputation and practice of giving gifts to the needy quickly spread across the European continent. It was in France beginning in the 12th century that the custom of bringing gifts in the name of St. Nicholas may have originated. Nuns at the convents in the central provinces began the practice of leaving gifts, secretly at the home of poor families with small children on Christmas eve. The gifts were fruits, nuts and oranges from Spain, which in those days were considered luxuries. St. Nicholas the bearer of gifts became a patron saint of children throughout the world. A feast day named after him, was celebrated in many European towns by electing a boy Bishop.

In Early May 1087, a command of 63 Italian mercenaries and sailors slipped into the Byzantine harbor town of Myra in Southern Italy, smashed their way into a shrine and made off with parts of the bones of St. Nicholas, 750 years after his death. In the scuffle at the tomb some of the relics were dropped and only part of St. Nicholas reached Bari, Italy, when they arrived with their trophy. The parts of his remains which were left in Turkey are now displayed in Antalya. Body snatchers are the name given to the thieves of the Adriatic port of Bari. Therefore today's pilgrims can have a choice to see St Nicholas in Italy or Turkey. When St. Nicholas died he was buried in the Cathedral in Myra. The village has never forgotten its humble origin.



CURRENCY THAT DEPICTS CHRISTMAS THEMES

Interest in Santa Claus in the United States came about with the publication by Clement Clark Moore's poem "A visit from St. Nicholas" in 1822. The Christmas myth was brought to life in New York in Moore's home state, then spread throughout the states. In 1836 Alabama was the first state to declare Christmas a legal holiday. Oklahoma became the last state to declare it a legal holiday in 1907. The first decoration of the Christmas tree in the White House was in 1856 by President Franklin Pierce.

The first currency which depicted Christmas scenes or Santa Claus appeared to be in the United States mainly in the 1850s. In fact in New York City Santa Claus even had his own bank and hotel (shown above). The St. Nicholas bank 1851-1865 (it became the St. Nicholas National Bank (shown below), charter #972 on April 1, 1865, voluntary liquidated on December 30, 1882) in New York City illustrated on all its denominations (except the





\$100 note) some form of Santa on the notes. The St. Nicholas hotel can be found on the one dollar bill in the center of the note. Other banks in other states followed with one or more notes depicting Santa in various ways. New York seems to be where the majority of Christmas notes were circulated. In the 1870s one of the main publishing companies issued its own scrip note to the value of 25 cents, depicting Santa Claus and his reindeers riding away. The scrip could be used as part payment for a book purchased from the publisher.

The main portrait on the notes is Santa sitting on a sleigh on a rooftop being pulled by eight reindeers, (Dasher, Dancer, Prancer, Vixen, Comet, Cupid, Donner and Blitzen). This image can be found on bank notes from various states, including the \$2 note of the Central Bank of Brooklyn (shown above), also: \$5 on the Howard Banking Co. from Boston; Pittsfield Bank \$20 in Pittsfield, Massachusetts. On the \$2 note from the Maine Bank in the state of Maine, Santa can be found in the center of the note. This also can be found on the \$2 on White Mountain Bank, Lancaster New Hampshire; \$3 on the Central Bank of Troy, New York (beware this note also appears as a spurious note); \$1 from the Iron Bank, Plattsburgh New York; Sing Sing Bank \$2, from Ossining New York; and the \$2, \$5 and \$10 of the St. Nicholas Bank, New York City, to name a few.



Santa seated by a fireplace stuffing small toys into socks while smoking his pipe, appears on the \$2 note from the Knickerbocker Bank, New York City, and the St. Nicholas Bank \$2 note also has Santa by the fireplace. The \$5 note of the Bank of Milwaukee, Wisconsin, (above) depicts Santa visiting a child with a bag of toys on his shoulder. In the numismatic field the festival seemed to have become very popular with the series of Christmas notes in the United States, especially New York. All the United States notes which illustrated Christmas scenes are considered scarce and in many cases are rare.

Approximately seventy years later after World War I, Germany tried to meet the colossal cost of losing the war. The local branches of the Reichsbank did not have sufficient currency for business firms who needed to meet their wage payments. A law was passed permitting corporations, under license and against the deposit of appropriate assets, to print their own money -- Notgeld (emergency money).

It wasn't long before everyone started to print his own money. Because of the excessive rise in the cost of living, illegal notgeld equalled about twice the value of the Reichsbank notes. Within a few weeks, notgeld became as common as the Reichsbank paper over most of the country.

In Austria and Germany several different types of notgeld notes depicted themes from the Christmas festi-

val season as St. Nicholas notgeld. He is still the same person with a white beard and a white trimmed red coat and hat. The only difference, a very important one, is these notes do not illustrate reindeers.



Many of the notgeld notes with Christmas themes depicted St. Nicholas delivering toys to children. In Neustadt, (Sachsen-Coburg,) a 50-pfennig note dated December 1, 1918, was issued. It was good for three months and could be redeemed. The note showed St. Nicholas carrying toys in the town. A Grossbreitenbach, 50-pfennig undated note shows children with gifts under the Christmas tree. The town of Sonneberg issued a 50-pfennig notgeld, dated 20 February 1920, illustrating St. Nicholas with toys on the front of the note (shown at left).

CHRISTMAS TREES

Christmas trees originated in Germany, but really did not catch on elsewhere until the 19th century when Queen Victoria and Prince Albert of England made it respectable to have them.

Back in the 11th century, St. Boniface arrived in Germany to convert the Teutonic Nords to Christianity. He found them heavenly into the worship of trees which they perceived as a dwelling place for certain Gods and representatives of basic life forces.

Unable to break the new flock of this habit, Boniface, encouraged them to take into their own dwellings small trees at Christmas to represent the life force of Christ. An undated Bolkenhain, 50-pfennig notgeld note shows a man with Christmas trees on the back of the note. In Sonneburg, a 50-pfennig note has the traditional St. Nicholas holding a candle lit Christmas tree on the back of the note, and an armful of toys for the children. At Langeln a 50-pfennig note redeemable on the December 31, 1921, depicts a young girl enjoying the Christmas tree with her family. The town of Lausha had a 50-pfennig note with a Christmas tree on each side of a house and the comment "in all the world Christmas tree decoration are known." Kahle has one of the most popular Christmas notgeld series. All six 50-pfennig notes dated 20 November 1921 have an expiration date of 31 December 1921. The back of the notes require little explanation. They show a Christmas tree in the center with the town of Kahla in the background. The front of this note shows a Christmas tree lit with candles. A Mississippi and Alabama Real Estate Banking Company (1838-1839) note depicts a Christmas tree with lights on each end of the note.

CAROL SINGERS

The festival season is not without carol singers, who perform in public bringing out the joy and cheer to those who watch or join in. Many of us also sing along with the choir joining with them in the spirit of Christmas. The word "carol" is a custom derived from an early dance of pagan origin. The word "carol" comes from the Latin word "Choraula", a flautist who played during the dance. Until the late middle ages a carol was a ring dance in which the participant sang.

The link between song and dance is reflected in "choir" and "choreography", both derived from the Greek "Khoros" a dancing place. The orchestra is so named because it occupies an area equivalent to that used by the dancers in Greek theatres. The 75- and 90-heller notgeld note in the town of Bruck in Pingz, Austria, depicts children dancing to Christmas carols. A notgeld note from Possneck, Germany, illustrates carol singers singing in the snow.

"Silent Night" is probably the world's most loved carol, having giving pleasure to generation after generation of people since it was composed on Christmas Eve back in the year 1818. It has truly been called the universal anthem of Christmas and it has been translated into all the major languages of the world, so that the strain of the melody can be heard everywhere at Christmas time.

The home of the carol is a small village of Oberndorf in the countryside of Austria. Villagers there have never forgotten that it was their area which first gave the carol to the world. Oberndorf still has a Silent Night Society. On Christmas Eve each year the mayor leads a procession of children through the streets. The society starts the carol by ringing the bells of the local church until the stroke of midnight when all becomes silent.

Joseph Mohr, who was the priest of St. Nikolas Church, Oberndorf was born in Salzburg, Austria, on December 11, 1792. He was sent into panic the day before Christmas Eve. His preparation for the festive service was ruined when he discovered that mice had gnawed through the church organ's bellows irreparably damaging them. Without an organ there would be no music and no service.

That night Father Mohr remained awake writing the words of a carol that would be sung to a simple accompaniment of a guitar. Glancing out the window at the peaceful village of Oberndorf bathed in moonlight, the words spilled out "all is calm all is bright." The next morning he hastened to his organist Franz Gruber, showed

him the words, and asked him to set them to a guitar accompaniment. Gruber took up the guitar and quickly came up with a tune. By that evening the carol had been polished and rehearsed by the church choir ready for its performance. It was the first public performance in the little Austrian church. "Stille Nacht" became an immediate success of what is today the world's favorite carol "Silent Night."



Numismatics played its part through the issuance of a set of three identical Austrian notgeld notes from Oberndorf, in denominations of 10- (shown at left), 20- and 50-heller dated 1920. The front depicts the Holy Night Church in the center, Father Joseph Mohr in a circle on the left, and guitarist Franz Gruber in a circle on the right. Below the image of Mohr is the word "Stille Nacht" (Silent Night), and below Gruber is "Heilige Nacht (Holy Night).

Another carol associated with the festival season, a fitting companion to Silent Night and equally well known, is the "Good King Wenceslaus". This carol narrates the deeds performed by the good king. The Christmas carol was written about 1582. The place of its origin is rather doubtful. One thing is certain, though, many people will hear it sung during the festival season. Good king Wenceslaus was immortalized by the well known English carol.

Legend has it that in the cold winter months, Wenceslaus (his proper name was Vaclav) would cut wood in the forest and secretly carry it to the needy widows and orphans. His servant Podivin, assisted him. The legend further relates that Podivin did not feel the cold when following in his masters footsteps.

Wenceslaus (908-29) is the patron saint of Bohemia and is known as St. Vaclav. He was converted to Christianity by his grandmother, Ludmille. After ascending the throne as king of Bohemia, he was assassinated by his brother Boleslas The Cruel on September 929 AD because of his effort to convert his people to the Christian faith.



The Bohemian King Wenceslaus is depicted on the 5,000-kronen bank note of the National Bank für Bohmen and Mahren dated 1944 (shown above). This was issued during a short life as an occupied state by Nazi Germany. He is the only king saint to whom an altar is dedicated in St. Peters Chapel in the Vatican, Italy. The statue of him astride his horse dominates Vaclavske Namesti (Wenceslaus Square in Prague,) Czechoslovakia.

"Come All Ye Faithful" was written in 1744 by John Francis Wade, a fervent supporter of Bonnie Prince Charlie of England. The carol had been interpreted as a rallying song for the Jacobites. His call to his faithful is said to refer not to worshippers of the Infant Christ, but to wavering supporters of the young pretender who was laying claim to the English throne.

The year after the carol was written the "faithful" were gathering on the shores of Loch Shiel, Scotland, in preparation for the march to London. The adventure ended in defeat at Culloden with Bonnie Prince Charlie fleeing to lifelong exile in France, where he drowned his sorrows in drunken oblivion. Wade also spent the rest of his life across the channel keeping tight lipped about the political inspiration behind the famous carol.

"Jingle Bells," a popular Christmas song started out as a song for Thanksgiving in America. It was written by James Pierpont from Savannah, Georgia, in 1857 and was called "One Horse Open Sleigh". He then promptly forgot all about it. His brother discovered the song buried in an attic trunk seven years later, and we haven't

stopped the jingle yet. A 50 pfennig German notgeld from Sonneberg shows bells hanging from a Christmas tree on the back, and merits a word from this popular sing.

"Rudolph the Red-Nosed Reindeer" comes from the United States, too. In 1939 Montgomery Ward, founder of the American department store, hired Robert May to write a poem that their department store Santa could recite over Christmas. May came up with a poem "Rollo the Red Nose Reindeer". Company executives liked it, but weren't happy with the name Rollo. So May changed it to Reginald. Still the name was rejected and May's daughter came up with the new name Rudolph. The poem was later put with music and sung by country singer Gene Autry.

Bank notes from the United States of the 1850s anticipate the song, with notes depicting Santa seated in his sleigh being pulled by reindeer, as listed above.

"White Christmas" is the best selling Christmas single of all times. Bing Crosby's "White Christmas" has sold more than 50 million copies since 1942.

A 25-pfennig, undated, from Possneck, Germany, shows carolers singing in the snow on its back. From Bruck/Pinzgau, an Austrian 60-heller note, undated, (shown at right) depicts St. Nicholas carrying his sack of toys through the snow.



CONCLUSION

You can call him Kris Kringle, Father Christmas, Santa Claus or St. Nicholas or whatever other name that he may go by. He is celebrated around the world in many ways. In some areas Buddhist children call him "Hotelosho," a man who acts like Santa Claus. He brings presents to each house for children. Muslim children hang stockings up hoping that the Christmas old man (Che Lao Ren) will fill the stocking with gifts and toys. Jewish children join the festival season by celebrating "Hanukkah" (Festival of Light) where children receive gifts for a week.

There are many more religions who one way or another join the yuletide spirit. It is certainly a time for all religions to come together and celebrate our humanity with each other and our neighbors.

You can find other special topics in Christmas paper money to celebrate the yuletide spirit yourself. The nativity scene is one, another is decorations, toy-making, angels, elves, Christmas wreaths, and many more themes. This article has just touched the surface of possibilities with notes about a jolly old man in a red suit and white beard, decorated holiday trees, and the joy of singing our favorite songs with which we are so familiar.

ACKNOWLEDGMENTS

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A Neglected Collectible
**Final Decade of Canadian
Chartered Bank
Circulation Viewed in
Terms of Reported
Surviving Notes**
By Harold Don Allen

CANADA'S "SMALL CHARTEREDS," A GROUP OF CLOSE TO 50 HIGHLY DISTINCTIVE note varieties whose ten-year service spanned the decade from the Great Depression well into World War II, offer unique research and collecting possibilities, such notes to date not always having received the recognition or attention which they have deserved.

Small chartered notes were the notes of Canada's then 10 commercial banks of issue, newly released in the sort of smaller format introduced in the United States from 1929 and adopted by Canada's central bank, the Bank of Canada, with its initial legal tender issue of 1935.

Like most world countries, Canada had accepted diverse bank paper money long before it had experienced extended government issues--various provincial notes, post-Confederation "Dominion of Canada" (Department of Finance) legal tender, the central bank (Bank of Canada) releases. These last, by 1945, were accorded a monopoly of note issue.

The paper money of chartered banks, institutions chartered by act of the federal parliament, has been well received by many, though not all, students and collectors. (Government legal tender, for whatever reason, has had even stronger appeal.) Small chartered notes are "state of the art" for 1930s security printing, superb steel engraving, of banker portraits, bank premises, allegorical art; elaborate tracery, and lettering to highest standards. Black tends to dominate face engraving, with bright mixes of supporting tints. Color coding of denominations has been common, as Imperial Bank of Canada (\$5 green, \$10 blue), itself tending to have had roots in pre-1934 more extended runs (as, for Imperial, \$20 brown, \$50 orange, \$100 olive). Bank note paper has been high quality, unwatermarked, but with red and blue random planchettes--the Bank of Canada having claimed exclusive rights to the green.

Aspects of such note circulation are none-too-well grasped, even by many collectors. Chartered bank issues, admittedly, were not, in general, legal tender--you could decline one, much as you might decline a personal check, but I don't know that anyone ever did. For generations, the federal government had provided legal tender Dominion of Canada folding money in denominations of 25 cents (three releases of "shinplasters," still collectible), and oversize \$1, \$2, \$4 bills. Subsequently \$5, but in limited quantities which may principally have served as branch "cash on hand." Plus such high values as \$500 and \$1000, and even higher values ("bank legals" to \$50,000, to facilitate inter-bank "clearings"). The point is: for four or five decades prior to the Bank of Canada opening, all Canadian \$10, \$20, \$50, and \$100 bills, along with most \$5s, had been chartered bank releases, universally accepted as a matter of course.

From the 1890s, a Canadian "Note Redemption Fund," federally administered, had guaranteed negotiability of subsequent federally chartered issues, even were the issuing bank to "go under." Still earlier, note holders did have first claim on assets of a failed bank, but sufficient "broken bank" bills from such times do survive to constitute a collecting specialty in themselves.

By the time of the release of small chartered notes, such were just memories--notes were negotiable--but such memories do linger on.

With the opening of the Bank of Canada in 1935, chartered bank rights to note issue were to be phased out over a ten-year interval. Strictly speaking, such notes could neither be issued nor reissued after 31 December 1944. "Please" and "thank you" could on occasion override rules and regulations, however, and more than one friendly teller, in the years that immediately followed, let me acquire at face such small chartered notes as, 60 years later, illustrate this presentation.

In any event, in January 1950, ten chartered banks paid over to the Bank of Canada \$13,302,046.60, the total outstanding of unredeemed notes "in the hands of the public" (see Howard, Reference 8, p. 2). By 1989, according to a readily accessible Bank of Canada report (Reference 4, p. 505), that figure had dropped to \$6,279,678.42, a decrease in excess of 50 per cent.

Looking to this instructive Bank of Canada compilation, several perspectives on Canada's chartered banks and their note issues, both small chartered and the countless larger-format releases of the preceding century and more, come into view. Data on "notes outstanding" in each bank's own name, which would comprise in all instances both large and small chartered notes, have been brought together for Canada's "final ten" note-issuing institutions, as **Schedule I**.

SCHEDULE I
VALUE OF NOTES OUTSTANDING IN BANK'S OWN NAME
FOR EACH OF 'FINAL TEN' ISSUING CANADIAN CHARTERED BANKS
(DATA AS OF FEBRUARY 1989)

1. (The) Bank of Montreal, Montreal (from 1822; with forerunner The Montreal Bank, from 1817), notes outstanding in 1989: \$1,556,227.00; percentage of ten-bank total, 24.8.
 2. The Canadian Bank of Commerce, Toronto (from 1867): \$1,421,636.00; percentage, 22.6.
 3. The Royal Bank of Canada, Halifax, Montreal from 1901 (from name change, 1901): \$1,310,773.00; percentage, 20.9.
 4. The Bank of Nova Scotia, Halifax (from 1832): \$568,127.42; percentage, 9.0.
 5. Imperial Bank of Canada, Toronto (from 1875): \$450,180.00; percentage, 7.2.
 6. The Bank of Toronto, Toronto (from 1856): \$376,471.00; percentage, 6.0.
 7. The Dominion Bank, Toronto (from 1871): \$252,246.50; percentage, 4.0.
 8. Banque Canadienne Nationale, Montreal (from consolidation and name change, 1925): \$195,650.00; percentage, 3.1.
 9. (La) Banque Provinciale du Canada / (The) Provincial Bank of Canada, Montreal (from name change, 1900): \$129,777.50; percentage, 2.1.
 10. Barclays Bank (Canada), Montreal (from 1929): \$18,590.00; percentage, 0.3.
- Ten-bank total: \$6,279,678.42.**

Small chartered note issues are now described, by bank, in conventional order of seniority. This order is reflected in the number part of the mandated "logo and numeral" overprint, applied at the same time as the validating signatures, and indicative of seniority at the point, some years previously, when the practice was commenced. Still earlier releases had been hand countersigned.

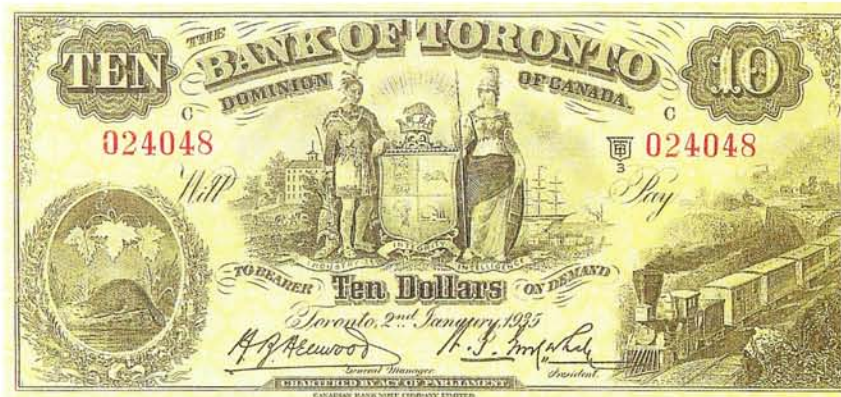


BANK OF MONTREAL, Montreal, 14,836,559 small chartered notes estimated (from sheet numbers) to have been issued, with a mean face value of \$7.58. Seven major varieties, issues of 2nd January 1935 (\$5, \$10, \$20), 3rd January 1938 (\$5, \$10, \$20), 7th December 1942 (\$5). Note faces feature senior bank officers (president, general manager), heraldic arms. Olive green supporting tint, as Roman numerals, signature panel. Reverses depict the traditional Head Office, Montreal, a structure still occupied by the bank (\$5, \$20), and the Toronto Main Office,

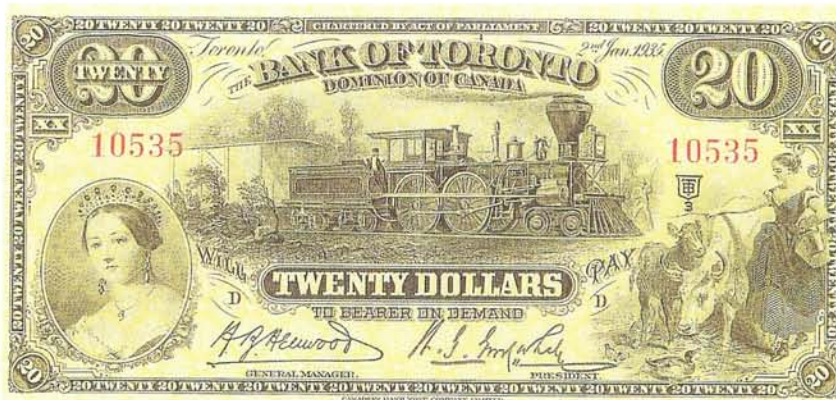
now open to the public as Canada's Hockey Hall of Fame (\$10). Portraits and signatures are W. A. Bog and C. B. Gordon, 1935 \$5; Jackson Dodds and C. B. Gordon, 1935 \$10 and \$20, 1938 \$5; G. W. Spinney and C. B. Gordon, 1938 \$10 and \$20; B. C. Gardner and G. W. Spinney, 1942 \$5.



BANK OF NOVA SCOTIA, Halifax, 5,487,156 small chartered, mean value \$7.07. All "small Scotia" notes are dated 1935, two denominations, \$5 and \$10, no portrait or signature changes. The \$5 depicts John A. McLeod, president, and Harry F. Patterson, general manager. Green and red face tints, McLeod and Patterson signatures. Bank seal reverse, green. The \$10 features the Nova Scotia arms, with small vignettes of a mining scene and a sailing ship. Blue and ochre tints. McLeod and Patterson signatures. Bank seal reverse, slate.



BANK OF TORONTO, Toronto, 3,087,125 small chartered, mean value \$7.01. Seven "types," dated 1935 (\$5, \$10, \$20) and 1937 (\$5 and \$10, with signature varieties). Highly traditional, strikingly attractive note designs from 19th century notes, adapted for small format. Face black intaglio, with intense yellow underprint. The \$5 centers Royal arms (lion and unicorn supporters), with young woman, Commerce allegory vignettes. The \$10 features Toronto municipal arms, with beaver and early train vignettes. A particularly fine rendering of a wood-burning locomotive dominates the distinctly scarce \$20, with the likeness of a youthful Queen Victoria and a dairy



maid vignette. Signatures are H. B. Henwood and W. G. Gooderham (1935 issue); then H. B. Henwood and Jno. R. Lamb, followed by F. H. Marsh and Jno. R. Lamb (1937). Note reverses are orange, dominated by a medallion-engraved rendering of Queen Victoria and Prince Albert, flanked by the bank name and note denomination.



BANQUE CANADIENNE NATIONALE, Montreal, 3,054,720 small chartered, mean value \$6.86. All notes are dated 1935, two values, a green \$5 and a brown \$10. Note faces feature allegorical art, from a downtown Montreal monument, with smaller likenesses of the signing officers, Hon. J. M. Wilson and Beaudry Leman. Note reverses attractively highlight a "B C N" monogram surrounded by the then nine provincial arms. Face and back strongly recall five-denomination note sets of 1925 and 1929. Indeed, significant elements can be traced to forerunner Banque d'Hochelaga releases of 1917, the allegorical sculptures, provincial arms assemblage, even the likeness of the long-serving Monsieur Leman (note: illustration above is large size Series 1925 note).



BANQUE PROVINCIALE DU CANADA, Montreal, 1,639,652 small chartered, mean value \$6.87. One of the more difficult of chartered banks, both for comprehension and collecting of later issues. A 1935-dated single-portrait issue by British American Bank Note, a black \$5 and a brown \$10, portray long-term president J.-B. Rolland, and is signed by Rolland and by Chs. A. Roy, general manager. Note reverses depict the St. James Street, Montreal, head office. This issue is straightforward. A 1936-dated second issue portrays Charles Arthur Roy, and is



signed by Roy, the new president, and J. U. Boyer, general manager. Reflecting a change in security printer to Canadian Bank Note, the 1936 issue, while retaining much of the general layout and the "head office" reverse, is wholly reworked, including the head office vignette. A blue-and-yellow \$5 ("blue back") and an orange-and-yellow \$10 ("orange back") served to launch the issue. Color changes were introduced some time later, the \$5 face being unchanged, but the back being switched from a drab blue to an equally drab dark green; the \$10 being substantially changed from orange to a light green, face and back, with the face tint augmented with large X's, Roman numerals beneath the French and English versions of the bank name *La Banque Provinciale du Canada* / *The Provincial Bank of Canada*. Reference to printing records reveals that extraordinarily large runs of blue- and orange-backs, the higher numbers, were destroyed unissued, with even larger runs of the revised notes having been similarly destroyed when time for small chartered runs out. These assertions are more than confirmed by consideration of circulation finds.



CANADIAN BANK OF COMMERCE, Toronto, 10,619,704 small chartered, mean value \$7.97. Distinguished allegorical artwork coupled with outstanding note design, by any standards, Commerce small chartered serve to perpetuate, in reduced format, three of five denominations (\$5, \$10, \$20), allegorical faces and backs dating from 1917. Commerce small chartered all are dated 1935, with continuous numbering by sheets extending through signature varieties. (An "A" prefix alludes to a second million of four-note sheets.) The \$5 Architecture allegorical, \$10 Agricultural, and \$20 Nautical (Neptune, sea maidens) exist in up to three signature combinations, John Aird / S. H. Logan (\$5, \$10, \$20), S. H. Logan / A. E. Arscott (\$5, \$10), and John Aird / S. M. Wedd (\$5, currently known as two sheets, one of them cut for marketing, and a single circulated note). Note reverses feature figures of Mercury and Ceres, flanking a large rendition of the bank seal.

ROYAL BANK OF CANADA, Montreal, 16,240,938 small chartered, mean value \$7.68. Canada's distinct leader in note circulation during the small-chartered interval, accounting as it does for over 25 per cent of note issue and of face value, Royal is accessible, even in "better" grades, widely collected, and might be thought to represent simplicity itself. Notes of a 1935-dated, three-value issue (\$5 green, \$10 orange, \$20 blue) wholly dominate. Portraits of Morris W. Wilson, newly named president, and Sir Herbert Holt, Wilson's long-term predecessor, remain unaltered, as do S. G. Dobson signatures. Canadian armorial bearings are centered on the note's face, royal arms on the reverse.



With regard to "small Royals," distinct scarcity arises from two considerations. Firstly, a further \$5 was released on "Jan. 2nd 1943," the latest date for a Canadian small chartered. This new note (our T-34) portrays Dobson and Wilson, and continues their signatures. The issue, necessarily, was limited, and short-lived. Though long known, it can be a bit difficult. Secondly, fairly early in the long run of 1935-dated small Royals, signature dies, while signing officers remained unchanged, were somewhat enlarged, yielding two subvarieties for (we now know) all three denominations. This fact is a quite recent discovery, and the small-signatures \$20 would seem to be, whatever else, one tough note.



DOMINION BANK, Toronto, 3,818,246 small chartered, mean value \$7.09. Well engraved, conventionally designed, "small Dominions" should be straightforward to collect, and relatively accessible. Two issues, two notes each (\$5 and \$10), the latter release reflecting a succession of bank officers. A "physical features" map of Canada, modified from 1931-dated "large Dominions," makes for an attractive reverse. Portraits of senior officers flank an elaborate device indicative of denomination. Initial 1935-dated releases depict Dudley Dawson, general manager, and Clifton H. Carlisle, president. This \$5 note has a green and orange tint, moss green reverse; the accompanying \$10 yellow, pink, and orange tints, orange reverse. Corresponding 1938-dated releases depict Carlisle as president, Robert Rae as general manager. The 1938 \$5 has an orange and brown face tint, brown reverse; the \$10 a blue and yellow face tint, olive green reverse.



IMPERIAL BANK OF CANADA, Toronto, 3,395,409 small chartered, mean value \$7.18. Six major varieties depicting senior bank officers, two values (\$5 green, \$10 blue), 1934-dated and showing A. E. Phipps, general manager, and Frank A. Rolph, president; the same values and colors 1939-dated, portraying H. T. Jaffray as general manager, Phipps as president. The bank's "lion over crown" device features prominently on note reverses. Two signature combinations exist for 1934 notes, Phipps-Rolph and Jaffray-Rolph; 1939 signatures are Jaffray-Phipps. The "1934" date, 1 November, marks, I believe, the start of the Bank's fiscal year. Previous issues, "large Imperials" through \$100, had been dated 1 November 1923 and 1 November 1933. In all, then, three \$5's, three \$10's, six "type notes" if one collects by denomination, date and signatures, all of them similar in appearance, and none of them particularly scarce. Appearances can be deceptive, however. Small Imperials are a uniquely complex issue, and adequate research has yet to be done. Imperial has alternated logos, either a saltire (cross of St. Andrew) within a circle, or else its "lion over crown" device, also within a circle, and in different printings has varied the logo position, to left or to right of the central denomination device.

Furthermore, with its 1923 issue, Imperial pioneered use of a "check letter" prefix, a device standardized in subsequent small Imperials. Such notes are numbered by (four-note) sheets, individual notes distinguishable by position letters A, B, C, D. Six-digit sheet numbers, 050001 and up were prefixed, "E" for 050001 through 100000, "F" for 100001 through 150000. A 1934 Jaffray \$5 has been recorded as L366382, position C. (Starting "check prefixing" with "E" no doubt had been to avoid confusion with position letters.) Logo changes and check-letter prefixing had been calculated to trip counterfeiters or to pinpoint counterfeits, I rather suspect, Imperial having been hard hit by out-of-Canada (overseas) counterfeiting of one of its high values, the old-style \$100 of 1920.

BARCLAYS BANK (CANADA), Montreal, 301,600 small chartered, mean value \$7.57. "Woman with globe" allegorical art features prominently on both 1935-dated "small Barclays" (\$5 blue green, \$10 orange), as it had on three "large Barclays" when the bank opened its doors in 1929. Reverses depict the St. James Street head office. The \$10 comes in two signature varieties, now about equally common, the earlier with H. A. Stevenson as general manager, R. L. Borden as president; the second with Stevenson as general manager, A. A. Magee as president. The blue-green \$5, a somewhat more difficult note, in issued form is known only with the Stevenson-Borden signature combination. Sir Robert Borden, the Barclays (Canada) founding president, was the former prime minister, the political figure subsequently depicted on three issues (1975, 1988, 2004) of Bank of Canada \$100 legal tender note. Barclays Bank (Canada), the Canadian component of the internationally oriented, English-based banking enterprise, located its principal domestic operations in Montreal, Toronto, and Vancouver. Barclays Bank (Canada)



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amalgamated with Imperial Bank of Canada in 1956. Ten commercial banks of issue to serve some (in those times) 11.5 million Canadians? Yes, after natural selection, growth and expansion, strategic acquisitions, ten survivors out of close to 100 note issuing banks--several of which survivors would go on, with justifiable sense of accomplishment, to celebrate the opening of a 1000th branch.

The Bank of Canada data groups note-issuing banks as seven principal families of institutions, as of 1989, and this approach also can provide insights for collectors. Under Canadian Imperial Bank of Commerce are no less than 13 institutions for which data are provided, including three issuers of small chartered, Canadian Bank of Commerce, Imperial Bank of Canada, and Barclays Bank (Canada). Notes outstanding, as recorded, aggregate \$2,261,841.18. Larger amalgamated banks include Bank of Hamilton (1872-1923) and Standard Bank of Canada (1876-1928). The Bank of Montreal group comprises eight institutions, \$2,250,908.50 in notes outstanding. Larger component banks are Merchants Bank of Canada (1868-1923), Bank of British North America (1836-1918), and the Molsons Bank (1837, chartered from 1855-1925). The Royal Bank of Canada listing notes ten mergers, several of them critical to the bank's phenomenal growth to national status. Larger acquisitions include the Union Bank of Canada (1886-1925) and the venerable Quebec Bank (1818-1917). Also listed in Royal's name are notes issued by its forerunner institution, the Merchants Bank of Halifax. Bank of Nova Scotia absorbed five banks of issue, the larger being the Bank of Ottawa (1874-1919) and the Bank of New Brunswick (1820-1913). Banque Canadienne Nationale listings include notes of the two institutions which merged in 1925, Banque d'Hochelaga and Banque Nationale. Banque Provinciale listings include pre-1900 releases in its former name, La Banque Jacques Cartier. A Toronto-Dominion listing comprises notes of the two component banks. No notes were issued in the "T D" name.

A particularly thought-provoking listing concludes the central bank's 1989 note redemption report: "notes outstanding" on some 12 "defunct banks," latter-day (20th century) failures occurring subsequent to a Note Redemption Fund having been in place, for whose redemption the Bank of Canada is responsible. The two largest sums relate to the 1923 failure, with loss to depositors and other creditors, of the Home Bank of Canada (1905-1923), \$35,027.46 to be repaid, and of the St. Stephen's Bank, New Brunswick (1836-1910), \$11,066.67. Those "odd cents," in these instances, reflect the fact that the Note Redemption Fund, to which issuing banks contributed, paid interest to noteholders over the interval during which affairs of the troubled bank were being wound up.

Next to be presented are known sheet number or serial number ranges, for each of 47 recognized varieties (Schedule II). Such notes were printed, or processed, in sheets of four, the use of identical sheet numbers, differentiated by on-plate position letters, having been the more usual practice, as was done with first-issue Bank of Canada

legal tender of 1935. Banks having opted for numbering of individual small chartered were Bank of Nova Scotia, Dominion Bank, and Barclays Bank (Canada).

SCHEDULE II
SERIAL OR SHEET NUMBER RANGES OBSERVED OR REPORTED
FOR 47 CANADIAN "SMALL CHARTERED" NOTE VARIETIES
DEEMED TO HAVE BEEN IN CIRCULATION, 1935 TO 1943

BANK OF MONTREAL, logo 1 (saltire, within oval reading *Concordia Salus*), numbering by four-note sheets (A, B, C, D).

T-01	1935	\$5	LOW:	024233/D	HIGH:	1477401/B
T-02	1935	\$10	LOW:	011329/D	HIGH:	1084380/D
T-03	1935	\$20	LOW:	003151/B	HIGH:	093406/A
T-04	1938	\$5	LOW:	030144/A	HIGH:	590697/A
T-05	1938	\$10	LOW:	005781/D	HIGH:	354267/D
T-06	1938	\$20	LOW:	02104/C	HIGH:	63996/A
T-07	1942	\$5	LOW:	003829/D	HIGH:	044996/B

BANK OF NOVA SCOTIA, logo 2 (lion, in shield), numbering of individual notes.

T-08	1935	\$5	LOW:	028392	HIGH:	3216031
T-09	1935	\$10	LOW:	131002	HIGH:	2271125

BANK OF TORONTO, logo 3 (BT monogram, in shield), continuous numbering by sheets.

T-10	1935	\$5	LOW:	007361/C	HIGH:	235733/D
T-11	1937	\$5, Henwood sign.	LOW:	246111/C	HIGH:	395955/D
T-12	1937	\$5, Marsh sign.	LOW:	402191/B	HIGH:	483273/B
T-13	1935	\$10	LOW:	012640/D	HIGH:	134308/D
T-14	1937	\$10, Henwood sign.	LOW:	157390/A	HIGH:	225485/D
T-15	1937	\$10, Marsh sign.	LOW:	232595/D	HIGH:	277974/C
T-16	1935	\$20	LOW:	00001/C	HIGH:	10535/D

BANQUE CANADIENNE NATIONALE, logo 6 (beaver), numbering by sheets.

T-17	1935	\$5	LOW:	012929/B	HIGH:	479194/D
T-18	1935	\$10	LOW:	018268/C	HIGH:	284486/D

BANQUE PROVINCIALE DU CANADA, logo 8 (beaver, maple leaf), numbering by sheets. Large blocks of T-21 through T-24 destroyed unissued.

T-19	1935	\$5	LOW:	006382/C	HIGH:	119333/D
T-20	1935	\$10	LOW:	00001/D	HIGH:	74661/C
T-21	1936	\$5, blue back	LOW:	000003/A	HIGH:	122315/A
T-22	1936	\$5, green back	LOW:	160344/B	HIGH:	175661/B
T-23	1936	\$10, orange	LOW:	000612/P	HIGH:	072334/D
T-24	1936	\$10, green	LOW:	114029/D	HIGH:	119982/B

CANADIAN BANK OF COMMERCE, logo 10 (caduceus), continuous numbering by sheets. Release of \$5 notes essentially ended with T-26.

T-25	1935	\$5, Aird-Logan	LOW:	000002/D	HIGH:	A146107/B
T-26	1935	\$5, Logan-Arscott	LOW:	A180575/B	HIGH:	A372184/C
T-27	1935	\$5, Logan, Wedd	LOW:	A425389/C	HIGH:	A432023/C
T-28	1935	\$10, Aird-Logan	LOW:	000001/B	HIGH:	623917/B
T-29	1935	\$10, Logan-Arscott	LOW:	659539/B	HIGH:	A136575/A
T-30	1935	\$20, Aird-Logan	LOW:	004509/A	HIGH:	146166/C

ROYAL BANK OF CANADA, logo 11 (crown), numbering by sheets, subvarieties (1935 issue) have small and large signatures.

T-31a	1935	\$5, small sigs.	LOW:	024620/B	HIGH:	352724/D
T-31b	1935	\$5, large sigs.	LOW:	408105/B	HIGH:	2129266/C
T-32a	1935	\$10, small sigs.	LOW:	018588/A	HIGH:	279546/D
T-32b	1935	\$10, large sigs.	LOW:	325435/A	HIGH:	1648565/B
T-33a	1935	\$20, small sigs.	LOW:	00034/D		
T-33b	1935	\$20, large sigs.	LOW:	23359/D	HIGH:	175522/A
T-34	1943	\$5	LOW:	000001/D	HIGH:	106883/D

DOMINION BANK, logo 12 (maple leaf), numbering of individual notes.

T-35	1935	\$5	LOW:	008640	HIGH:	1443078
T-36	1935	\$10	LOW:	073256	HIGH:	1004833
T-37	1938	\$5	LOW:	057382	HIGH:	776349
T-38	1938	\$10	LOW:	038128	HIGH:	593986

IMPERIAL BANK OF CANADA, logo 17 either saltire within circle or lion on crown within circle, logo placement varies), numbering by sheets (prefix letter advances by intervals of 50,000 sheets).

T-39	1934	\$5, Phipps sign.	LOW:	004610/B	HIGH:	G186722/C
T-40	1934	\$5, Jaffray sign.	LOW:	H210919/A	HIGH:	L366382/C
T-41	1934	\$10, Phipps sign.	LOW:	008379/C	HIGH:	F143779/D
T-42	1934	\$10, Jaffray sign.	LOW:	G157548/D	HIGH:	J286877/B
T-43	1939	\$5	LOW:	015138/B	HIGH:	F112207/C
T-44	1939	\$10	LOW:	001630/A	HIGH:	E083388/A

BARCLAYS BANK (CANADA), logo 22 (spreadeagle on shield), continuous numbering of individual notes.

T-45	1935	\$5, Borden sign.	LOW:	D007501	HIGH:	D146860
T-46	1935	\$10, Borden sign.	LOW:	E009581	HIGH:	E118670
T-47	1935	\$10, Magee sign.	LOW:	E122038	HIGH:	E154740

Computed from known sheet and serial number ranges, data which reflect many years of bourse floor observation and significant collector and dealer help, numbers and aggregate face values of small charters released into circulation are compiled as Schedule III. Confidence in the reasonableness of these approximations takes into consideration the modest differences (increases) since these figures first were published in April 2002 ... for both totals, 0.5 per cent (see Preliminary Readings).

SCHEDULE III NUMBERS AND FACE VALUES OF SMALL CHARTERED NOTE ISSUES AS INDICATED BY KNOWN SHEET (SERIAL) NUMBER RANGES WITH PERCENTAGES OF TOTAL NUMBERS AND TOTAL VALUES

Institution	Note Issue	Dollar Value
Royal	16,240,938 (26.0%)	124,707,255 (26.6%)
Montreal	14,836,559 (23.7%)	112,399,765 (24.0%)
Commerce	10,619,704 (17.0%)	84,599,950 (18.1%)
Nova Scotia	5,487,156 (8.8%)	38,791,405 (8.3%)
Dominion	3,818,246 (6.1%)	27,085,325 (5.8%)
Imperial	3,395,409 (5.4%)	24,382,320 (5.2%)
Toronto	3,087,125 (4.9%)	21,627,200 (4.6%)
National	3,054,720 (4.9%)	20,963,320 (4.5%)
Provincial	1,639,652 (2.6%)	11,257,225 (2.4%)
Barclays	301,600 (0.5%)	2,281,700 (0.5%)
Total	62,481,109	468,095,465

Data in **Schedules II and III** provide instructive insights into aspects of "small chartered" issuance and circulation. Some 62,481,109 notes which entered circulation--our current best estimate--aggregated \$468,095,465 (**Schedule III**), an overall mean of \$7.49. Broken down by denomination, these figures give: \$5 notes, 35,260,105 (56.4 per cent of the aggregate); \$10 notes, 25,262,514 (40.4 per cent); \$20, as issued by four of the ten banks, 1,958,490 (3.1 per cent). The \$7.49 overall mean is seen to have varied significantly from bank to bank (see individual bank descriptions), from a low for the two dominantly "French-speaking" banks (Banque Canadienne Nationale, \$6.86; and Banque Provinciale, \$6.87), to such highs as \$7.58 for Bank of Montreal, \$7.68 for Royal, and \$7.97 for Commerce. Inclusion of a \$20 high value in a bank issue would be a partial explanation for the higher means of those "top three", but Barclays Bank, which didn't have a small \$20, averaged \$7.57, well above Bank of Toronto, which did have a small \$20 but averaged \$7.01, the third lowest such figure.

The ten banks of issue, as well, can be seen to have released a quantity of \$10 notes that was, overall, but 71.6 per cent of the number of \$5s. This result might be surprising until it is appreciated that a Depression-era \$5 would have been not only a make-up denomination (counting out, say, \$35 as "three tens and a five") but also a significant sum in itself. In this light, it can be instructive to compute this statistic for individual banks: For Bank of Montreal, the number of issued \$10s was 68.1 per cent of the number of \$5s; for Bank of Nova Scotia, 70.6 per cent; for Bank of Toronto, 57.5 per cent; for Banque Canadienne Nationale, 59.4 per cent; for Banque Provinciale,

59.5 per cent; for Bank of Commerce, 82.8 per cent; for Royal Bank, 73.7 per cent; for Dominion Bank, 72.0 per cent; for Imperial Bank, 77.4 per cent; and Barclays Bank (Canada), 105.4 per cent.

That final figure should serve to set thoughts in motion. Barclays Bank (Canada) had been, first and foremost, a businessman's bank, dealing in larger sums and facilitating national and international trade. "On cash," it counted out orange \$10s, its blue-green \$5, to this day scarce for collectors, really having been a make-up note. The "fewest tens" banks, in marked contrast, had many, relatively small branches, a preponderance at village or neighborhood level, and no doubt facilitated and encouraged individual savings. Their \$5 low value, for their clientele, served day-to-day needs with much of the purchasing power of \$50 today.

Were you to visit Canada and to go "bank spotting," the street corner and shopping mall branches might seem a bit reduced in number, having given way to ATMs and such, but the names of the note issuers do survive, some with subtle alterations. Bank of Montreal has been branding itself with its stock exchange symbol, BMO. Canadian Bank of Commerce, Imperial Bank, and Barclays Bank (Canada), merged with Imperial back in 1956, now operate (since 1961) as Canadian Imperial Bank of Commerce, CIBC. Royal Bank is Royal, or perhaps RBC, with its striking "lion and globe" corporate emblem. Bank of Toronto and Dominion Bank joined forces back in 1955-- "a marriage of equals," it was said. Look today for TD Canada Trust. Banque Canadienne Nationale and Banque Provinciale united in 1979, as Banque Nationale (National Bank of Canada), a strong force within Quebec and a significant presence across Canada. All in all, a youthful bank staff will try to field your questions on small chartered, but--time passes! -- it's more than possible that they'll not know what you mean.

At bourse or dealer level, you could go after, say, those 20 banker portraits (20 of them, calling for 13 small \$5s), or the 31 signatures (20 notes, but a truly formidable task).

All this could easily lead you to considerably broader numismatic thinking. Small chartered much resemble United States small nationals, except of course for numbers of issuing institutions. They also resemble consolidated bank issues of the Irish Republic, the post -- 1928 "ploughman" notes. Paper numismatics does have many such intriguing fields which beckon just a bit beyond the well -- beaten path.

Toward a Broader Perspective

Listed below are two groups of published sources which can offer insights into Canada's "small chartered" and their lore. The first listings represent my own writings, indicative of what knowledge was available--and what wasn't--over the 40-50-year interval. Several of the later of these listings specifically invited reader input, and in some instances significant help was forthcoming. Information so gained has been incorporated into this definitive version of the study. The numbered references that then follow are "recommended readings" for those who wish to view consulted sources, or to gain perspective on Canadian banking and its century and more of note-issuing chartered banks. The focus here being on the final decade of such currency, the small chartered, we are looking at relatively accessible, by and large affordable, material -- 47 or so small but attractive notes, readily perceived as a distinct challenge unto themselves.

Preliminary Writings

"The Bank of Montreal Bank Note Issues Since 1871," *Canadian Numismatic Journal*, 2:10 (October 1957), pp. 191-97.

"The Final Decade of Canadian Bank Currency, 1935-1944," *Numismatic Scrapbook Magazine*, 26:3 (March 1960), pp. 609-20.

"The Royal Bank of Canada Note Issues, Halifax and Montreal, 1901-1943," *Numismatic Scrapbook Magazine*, 27:5 (May 1962), pp. 1281-90.

"Canada's Counterfeit Originals," *International-Bank Note Society Journal*, 3:4 (Autumn 1963), pp. 14-15.

Depicts from Royal Bank of Canada archives and discusses hand-drawn counterfeits, the battleship

Bellerophon \$10 of 1913 and the Donaldson Line steamer \$5 for Trinidad, both complete with credible Neill-Holt "signatures."

"A 'Conversation'-Invitation about 46 (I Think) Small Chartered," *Canadian Paper Money Newsletter*, 7:2 (July 1999), pp. 46-50.

"An Extended Consideration of 46 Canadian 'Small Chartered,'" *Canadian Paper Money Newsletter*, 8:1 (April 2000), pp. 14-19.

The 47th small chartered was the Canadian Bank of Commerce \$5, Wedd signature (T-27), which at that point had not been seen as an issued (circulated) note.

"Small Chartered: Tidying the Record," *Canadian Paper Money Newsletter*, 10:1 (April 2002), pp. 10-11.

"Canadian 'Chartered Bank' Currency Offers Challenging Final Chapter," *FUN-Topics*, Florida United Numismatists, Inc., 51:2 (Fall 2006), pp. 43, 48-49.

Additional References

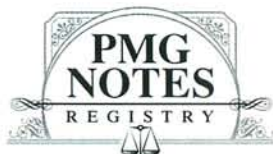
1. Benoit, Benoit. "The Provincial Bank of Canada Note Issue of 1st September 1936," *Canadian Paper Money Journal*, 6:1 (January 1970), pp. 6-7.

Documents from bank records large blocks of T-21 through T-24 that were destroyed unissued.

2. Charlton, James E. "Canadian Paper Money Collecting, 1949-1976," *Canadian Paper Money Journal*, 12:3 (July 1976), pp. 83-90.

In a brief note, Canada's foremost auctioneer and dealer of the half-century, recalls when there had been "no appar-

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- ent interest in late-issue charterededs," then deemed "too expensive to collect, even at face value."
3. _____. *Standard Catalogue of Canadian Coins, Tokens and Paper Money*, 26th ed. Toronto: Charlton International Publishing, 1978, pp. 341.
Reflective of the state of knowledge at this time, this well-received reference devotes 81 pages (pp. 223-303) to listings of small charterededs.
 4. Cross, W. K., publisher. *Charlton Standard Catalogue of Canadian Bank Notes*, 3rd ed., Walter D. Allan, editor. Toronto: Charlton Press, 1996. pp. xii + 524.
A compendium whose primary focus is chartered banks and their note releases. A separate volume treats government and central bank legal tender.
 5. Denison, Merrill. *Canada's First Bank: A History of the Bank of Montreal*, 2 vols. Toronto and Montreal: McClelland & Stewart, 1967, pp. xix + 472 (vol. 1), xiii + 454 (vol. 2).
Such Canadian bank histories can prove of great interest to monetary students. This celebration of Bank of Montreal's 150th anniversary extends through the "small chartered" interval, and depicts in color the face of T-07, the Gardner-Spinney \$5 of 1942. As well, comparison of bank officer portraiture in these volumes with corresponding note vignettes can be instructive.
 6. Graham, R[obert] J. "A Study in Bank Note Survival Rates: The Barclays Bank Small Size Issue 1935," *Canadian Paper Money Newsletter*, 14:2 (June 2006), pp. 52, 54, 60.
An investigation from collector holdings of \$5 (T-46) and \$10 (T-46 and T-47) "small Barclays" notes, by ranges of 1000, with interpretive considerations.
 7. _____. "Twentieth Century Note Issues of the Bank of Nova Scotia," *Canadian Paper Money Journal*, 27:3 (July 1989), pp. 51-62.
Relevant to this study, reports high-number, 1935-dated Nova Scotia \$5 notes, T-08 (3230001 to 3700000) and \$10 notes, T-09 (2317001 to 2700000) to have been destroyed unissued in 1944. His assertion that lower number ranges were issued agrees essentially with observations (**Schedule II**).
 8. Howard, C. S. *Canadian Banks and Bank-Notes: A Record*. Republished from *The Canadian Banker*, Canadian Bankers Association. [Toronto, ca. 1955], pp. 48.
A pioneer presentation, which served collectors as a respected principal reference for many years.
 9. Hunter, E. R., and Edward R. Grove, "The Men Who Produced the Canadian Bank of Commerce 1917 Notes," *Canadian Paper Money Journal*, 9:3 (July 1973), pp. 65-66, 77-86.
A learned and lavishly illustrated presentation considering face and back design components subsequently adapted for "small Commerce" issues, domestic and "southern," and, as well, the "woman with globe" vignette employed on all Barclays (Canada) releases.
 10. Jamieson, A. B. *Chartered Banking in Canada*, rev. ed. Toronto: Ryerson Press, 1957, pp. x + 448.
Conceived, one senses, as a textbook for banker education, the comprehensive work so treats Canadian banking history and banking practice as to provide valuable perspective and insights into the context and the times in which chartered bank currency functioned.
 11. Kreilkamp, Günther, "Duisenberg Euro Notes: A Summary," *International Bank Note Society Journal*, 45:3 (2006), pp. 17-23.
An exhaustive study of Euro currency of the initial, Willem F. Duisenberg presidency, by note denomination, national origin, and printery, an investigation rooted in "circulation" observation.
 12. "Listing of the 'Small Size' Chartered Bank Notes Issued 1934-1943," *Canadian Paper Money Journal*, 2:3 (July 1966), pp. 55-56.
Indicative of state of collector knowledge at this time.
The *Journal* carries a sequel, 4:3 (July 1968), pp. 61-62.
The *Journal* provides clarification as to the Bank of Montreal final (1942) release, 5:2 (April 1969), p. 37.
 13. Morris, Thomas F., "Notes Printed for Canadian Chartered Banks by the British American Bank Note Co., Limited," *Canadian Paper Money Journal*, 4:3 (July 1968), p. 63.
A listing strong in Victorian classics, both negotiable and "broken bank," but quite lacking in latter-day small charterededs. Missing are the Banque Provinciale 1935s, the \$5 and \$10 Jean-Baptiste Rolland portrait notes (T-19 and T-20), and the range of Royal Bank small charterededs (T-31ab, T-32ab, T-33ab, T-34).
 14. Pick, Albert. *Standard Catalog of World Paper Money*, 7th ed., vol. I (specialized issues). Ed. by Neil Shafer and Colin R. Bruce II. Iola, WI: Krause Publications, 1995, pp. 1096.
Includes Canada (non-government issues), pp. 135-240; hence, small charterededs. Illustration quality, portrait identification, signature variety recognition, could have been strengthened.
 15. Rudin, Ronald. *Banking en français: The French Banks of Quebec, 1835-1925*. Social History of Canada 38. Toronto: University of Toronto Press, 1985, pp. xxvi + 190.
To put eight small charterededs (T-17 to T-18, T19 to T24) in historical perspective, academic background reading on their issuing institutions and their distinctive Quebec-based antecedents.
 16. Walker, Sir Edmund, "Banking in Canada, a paper read before the Congress of Bankers and Financiers, Chicago, 1893," *Canadian Paper Money Journal*, in five parts, 4:3 (July 1968), pp. 65-68; 4:4 (October 1968), pp. 87-88; 5:1 (January 1969), pp. 15-18; 5:2 (April 1969), pp. 43-44; 5:3 (July 1969), pp. 69-70.
As B. E. Walker, Sir Edmund signed Commerce notes of 1907, 1912, and early allegoricals issue-dated 1917. Indeed, as Hunter and Gore underscore (Reference 9, p. 66), it was Sir Edmund who had been responsible for commissioning the art and engraving that resulted in the Commerce allegoricals. ❖

Banking: "Doing What We Do Best"

by George W. Taylor

IN THE LATE 1800S AND 1900S TAYLOR, TEXAS was a major hub of economics, business and social life for an important rural area of central Texas. Farming with all of its satellite businesses: wagon yards, livery stables, blacksmiths, equipment companies, and "King of All" The Cotton Gin (1877) was the major source of income for the local economy.

Second only to farming was railroading: passenger service, mail service, shipping with its storage and maintenance facilities. Taylor, Texas was so located to have two railroad companies: the International and Great Northern (1876), and Missouri, Kansas and Texas (1882). The IGN and the MKT railroads occasioned need for a large railroad repair shop called "the round house," with its turntable to redirect the engines or other equipment being repaired.

All of this activity brought the need for many services and the stores and companies to render these services: grocery, clothing, shoe and repair, hotels, cafes, and an assortment of other businesses. In 1900 the population of Taylor, Texas was 4,211 with that many more in the adjacent countryside. As a result of these conditions and the fact that farming was a seasonal business it was apparent that the community could not conduct normal business and pursuit of livelihoods without banking facilities.

Farmers borrowed money in the late winter time to carry them through non-productive times and in the spring time money was borrowed for seeds, etc. to plant their crops. Small withdrawals weekly or frequently carried the families through the non-income periods. As summer passed and fall approached, the crops had to be harvested. Pay for the workers, money for the ginning of the cotton, repairs and a myriad of other things cause the need for monetary transactions. With a lot of luck the farmer hoped to recover enough income from the harvest to pay the loans he had made with the bank and enjoy a profit for his efforts.

John H. Griffith came with his family to Taylor, Texas in

1883 when he was six years old. He was educated in the City of Taylor School. Later he was active in the lumber business. On Feb. 10, 1900, he and others established the City National Bank of Taylor, Williamson County, Texas. John H. Griffith



became Vice President and served in that capacity until he was named President on Jan. 14, 1913. He actively served in this position until Jan. 9, 1940, when he became chairman of the board of directors. Dr. Eanes and J.J. Thames were the first and second presidents of the bank, but neither served actively as an officer.

Having deposited \$50,000 in bonds with the Comptroller of the Currency, Charles G. Dawes, the bank was issued Charter #5275. It opened for business on April 3, 1900. With this capital deposit and federal charter, the bank was allowed to issue National Currency with the name of the bank on



Above: City National Bank of Taylor, 1909-1965; at right, the current bank building.

them. A total of \$925,260 worth of these bills were issued before they were discontinued in 1935.

The primary significance of this essay does not depend on the capital or growth of this bank but that as of this date, the bank has operated and given community services since its founding in 1900. It has survived the "Panic of 1907," and the "Great Depression." It has not been sold, merged, nor bankrupt, and has operated under the original name with four generations of family leadership.

Currently, the bank has Edward C. Griffith as Chairman of the Board of Directors, Andrew D. Littlejohn as President, and Edward C. Griffith Jr. as Executive Vice President. During its first hundred years, the bank's assets had grown to \$145 million. In this fast moving day and time, I find this bank and its history most unusual, and hope its operation continues for many generations to come.



\$5 1928C Legal Tender FA Mules & 1934A Silver Certificate HA Mules: Cousins in Production and Rarity

by Jamie Yakes

THE USE OF REGULAR \$5 SMALL SIZE MICRO BACK PLATES DREW TO A CLOSE during February 1940. Two micro back mule rarities were created then, the \$5 Legal Tender Series of 1928C FA block and \$5 Silver Certificate Series of 1934A HA block notes.

Concurrent Creations

Three factors converged to create the rarities during this period: (1) less than one percent of available back production was in the form of micro backs; (2) \$5 LT and SC production was high so \$5 back production was not sitting around very long before being overprinted; plus, existing stockpiles of \$5 backs were being consumed; and (3) serial numbering was just entering the Legal Tender FA and Silver Certificate HA blocks.

Three \$5 back plates with micro size numbers were still in use during August 1939; specifically, 902, 905 and 938. Plate 905 continued to be used until February 14, 1940. The result was that only small numbers of micro back sheets were overprinted with serials on the two blocks. The reported specimens are listed in **Table 1**.

Table 1- Reported notes.

Series	Serial	Plates	Printed
1928C LT	F00577379A	E347/905	December 1939
1928C LT	F00703140A	G332/905	December 1939
1928C LT	F00841637A	K324/896	December 1939
1928C LT	F01584870A	L332/895	January 1940
1928C LT	F01662061A	A332/896	January 1940
1928C LT	F01956613A	?	January 1940
1928C LT	F02073566A	?	January 1940
1928C LT	F02356095A	C332/905	Jan/Feb 1940
1928C LT	F02376180A	F327/895	Jan/Feb 1940
1928C LT	F02518451A	K332/905	Jan/Feb 1940
1928C LT	F02837816A	B331/905	Jan/Feb 1940
1928C LT	F03922924A	J337/905	February 1940
1934A SC	H00678185A	E1074/905	Spring 1940
1934A SC	H01357321A	G1130/905	Spring 1940
1934A SC	H01998115A	G1025/905	Spring 1940

The first Legal Tender serial number printed in 1940 was F00868001A. Three of the reported FA serials predate this number revealing that the Legal Tender FA mules were being printed during the winter of 1939.

The Silver Certificates represent a slightly different scenario. Serial numbering was only half way through the GA block at the beginning of 1940. The HA block did not commence until spring 1940, much later than the Legal Tender FA block.

Micro Backs on the Rarities

The production data for the micro plates observed on these rarities appear in Table 2.

Table 2- Usage of key \$5 micro backs.

Back plate	Inclusive dates sent to the press	Date canceled
895	Dec 15, 1937-Jan 27, 1939	Nov 28, 1939
896	Dec 15, 1937-Jan 27, 1939	Nov 28, 1939
905	Dec 17, 1937-Feb 14, 1940	Feb 15, 1940



Rare 1934A \$5 Silver Certificate HA mule printed during the spring of 1940. The author purchased this note off eBay in 2004.



Back Plate 905

Micro back 905, the last regular micro used, is common to both rarities. The last serial numbers coupled with 905 were in the Silver Certificate HA block which was overprinted during the spring of 1940, possibly May.

It is apparent that both of the mule rarities were created from recently printed 905 backs based on when the faces with which they are mated were in use. The late use of 905 also explains why it is the most frequently encountered on these rarities.

Back Plates 895 and 896

Printings from other micro backs found their way to the Legal Tender FA serial numbering presses. The two that have been observed are 895 and 896.

Printings from them predate the overprinting of the first Legal Tender 1928C FA mules by almost a year. Consequently, the mules created from 895 and 896 had to be from stockpiled backs. Some of them were mated with faces 331 and 332, which were used well into 1940, revealing that there was a substantial time lag between the back and face printings on at least some of the Legal Tender \$5s.

A third micro back plate, 901, had the same press dates as plates 895 and 896. This back plate has been observed on 1934A Silver Certificate GA mules printed in December of 1939, indicating that sheets from this back plate were also stockpiled throughout year. This late use of back plate 901 means it may be possible to find this plate on a 1928C LT FA mule.

1928C \$5 Legal Tender FA mule printed during early 1940. This note exhibits micro back plate 895.



Changeover Pairs

The Legal Tender FA and Silver Certificate HA blocks were the last blocks during which \$5 changeover pairs were created as a result of the 1938-1940 micro/macro changeover period.

Only one COP is reported from this period for either type: \$5 LT 1928C F00703140A non-mule with macro back plate 1012 and F00703141A mule with micro back plate 905. Both have face plate 332. It appeared as lot 2714 in the 2005 Memphis/Smythe auction.

Conclusion

Normal mule production in the \$5 LT and SC series ended with the proverbial bang. Dwindling use of micro backs coupled with the start up of the Legal Tender FA and Silver Certificate HA blocks caused the creation of the two rarities profiled here.

Recent Auction Appearances

\$5 1934A Silver Certificate HA mule:

2004, eBay, H01357321A, F.
2002, R. M. Smythe, 217:2668, H00678185A, F, \$1,650.

\$5 1928C Legal Tender FA mule:

2006, Currency Auctions of America, 424:13507, F02837816A, F, \$431.25.
2005, Currency Auctions of America, 364:15614, F02356095A, F-VF, \$862.50.
2004, Lyn Knight, PCDA auction, lot 1466, F02837816A, F, \$260.
2004, Currency Auctions of America, 354:15694, F01584870A, F-VF, \$719.
2003, Lyn Knight, Baltimore ANA, lot 5007, F01662061A, choice CU, \$3800.
2003, eBay, F02073566A, VG-F.

Acknowledgment

Peter Huntoon provided the plate usage data. Dave Schlingman and Jim Hodgson both provided serial number data. Hodgson also provided scans of the \$5 LT 1928C FA mule. ❖

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Best regards,

-- *Jim Halperin*

Dear Fred,

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I appreciate more than I can say the wonderful review and coverage you gave of my book *Obsolete Paper Money* in your May/June issue of *Paper Money*. I am absolutely delighted and thrilled.

Thank you again. The thoughts were wonderful. Wishing you the best of continued success, I remain sincerely yours,

-- *Q. David Bowers*

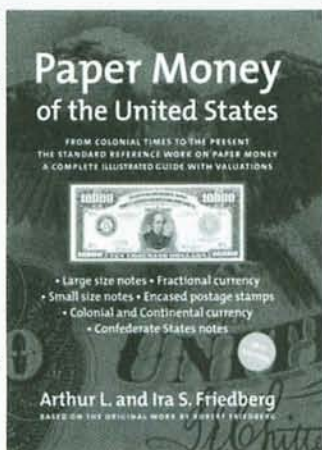
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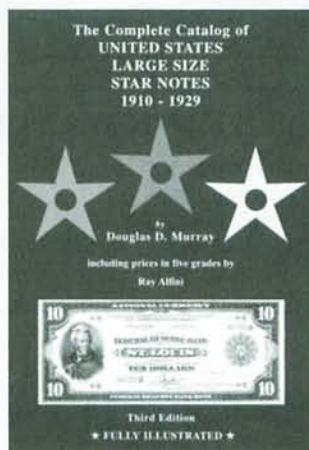
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PS Form 3526, September 2006 (Page 2 of 3)

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4th Annual SPMC Author's Forum Brings Writers', Publishers' Views to the Table

THE SOCIETY'S 4TH ANNUAL AUTHOR'S FORUM brought a star-studded panel of numismatic authors and publishers to the Memphis Marriott Heritage Ballroom July 6th during the recent Memphis International Paper Money Show.

The event was organized by *Paper Money*, and emceed by Wendell Wolka. An audience of approximately 50 attendees were welcomed to the event by Society President Benny Bolin (left).



"This forum was conceived as a way for authors and prospective authors of paper money books to exchange ideas, 'tricks of the trade,' and form mutual support on

the long road between conception and publication of a worthwhile book," Bolin told the audience.

"This Forum, in tandem with our Society's George W. Wait Memorial Prize which supports research of book length paper money projects, is part of SPMC's outreach to hobbyists by supporting numismatic education.

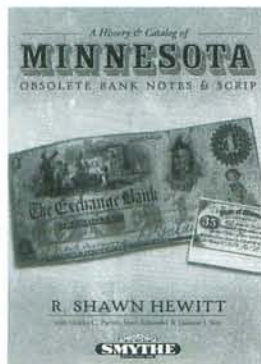
"Our Author's Forum is unique in the hobby. We invite all prospective authors and others interested in paper money books to attend and participate in this event. As in the past, this year's presenters' works cover a wide diversity of paper money topics, so you should find something of interest to you" Bolin added.



As in years past all presenters were experienced and well known in the hobby. Leading off the show was Shawn Hewitt (left), author of the recent work *A History and Catalog of Minnesota Obsolete Notes and Scrip* (R.M. Smythe, 2006).

Shawn started collecting paper money at age ten, and discovered a lifelong interest in collecting Minnesota money while in college. First, it was National Bank Notes, and then obsolete notes, after being hired as an intern at the Federal Reserve Bank of Minneapolis.

Shawn earned a Bachelor's Degree in Economics and Finance from Bethel University, and an MS



in Applied Economics from the University of Minnesota. After building an important collection of Minnesota obsoletes over the years, Shawn and three Minnesota colleagues wrote their acclaimed book.

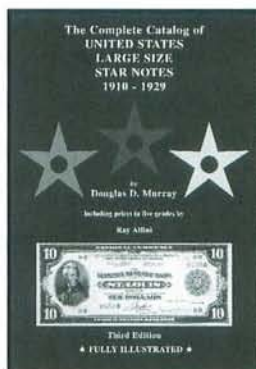
This book features several innovations, not the least of which is including a census of all recorded Minnesota obsolete notes. In his talk, Shawn shared particulars about the technology he developed and census methods. He also offered his census program to other writers interested in doing what he has done.

Our second speaker was renowned large size researcher Doug Murray (right), a 30 year researcher and collector of U.S. large size type note



varieties from 1862 to 1929.

Murray has authored three editions of *United States Large Size Star Notes 1910-1929*, and a draft of *United States Large Size Mules 1921-1926*.



Recently he has added 13 new catalog numbers to the Friedberg *Paper Money of the United States* (17b, 30a, 52a, 52b, 93a, 93b, 124a, 126c, 229a, 1169a, 1170a, 1173a, and 1200a). Nearly twice as many other catalog numbers have been given the "none printed" comment after his Washington, DC research revealed that no plates were made, hence no notes.

Doug provided an impromptu discussion about his 160-page third edition star book that was released

at Memphis. He has developed a new numbering system for large size currency, and discussed what makes a variety significant enough to assign a new catalog number.

Murray's publisher and paper money and world coin author in his own right, Arthur L. Friedberg (right) batted third in the lineup.

Art is the co-author with brother Ira of the hobby's authoritative *Paper Money of the United States*. Additionally, he provides market analysis and current retail values for some 17,000 federal notes bimonthly in *Coin World's Paper Money Values* magazine.

Friedberg is also coauthor of *A*



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Arthur L. and Ira S. Friedberg

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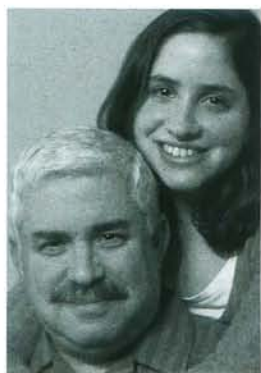
Guide Book of United States Paper Money: Complete Source for History, Grading, and Prices; Gold Coins of the World: From Ancient Times to the Present: An Illustrated Standard Catalogue With Valuations and the author of *Coins of the Bible*.

Art was the first American president of the International Association of Professional Numismatists (IAPN). He is an ANA LM and a member of PNG.

In 1993 he was awarded IAPN's Book Prize for *Gold Coins of the World*. He also received ANA's Medal of Merit (1992), its 1st place Heath Literary Award (1994) and the Swiss Vrenelli Prize (1999) for "outstanding contributions to numismatics."

Friedberg's book imprint is that of The Coin and Currency Institute. From these multiple vistas, Art explored the future of the hobby and the written word.

After a brief intermission to enjoy snacks and beverages provided by R.M. Smythe, father-daughter duo Steve & Ray



Feller (left) led off the second half of the forum. The Fellers are co-authors of *Silent Witnesses: Civil Camp Money of World War II* (BNR Press, 2007).

Ray Feller is best known for her column "Rachel Notes" that appeared for 15 years in *I.B.N.S. Journal*. She has served on the I.B.N.S. Board of Directors and is also an MPC fester and member of ANA and NLG. While an undergraduate at Lawrence University she wrote an honors thesis, "Subtle

Rebellion: Symbols of Resistance on WWII Camp Money," some of which is part of the present work. Ray is beginning her last year of graduate school in clinical psychology at Antioch University.

Steve Feller has been a numismatic enthusiast for about 50 years. He has written on World War II numismatics, Confederate currency and holography. From 1990 until earlier this year he was Editor of the *I.B.N.S. Journal*. Professor of

Silent Witnesses: Civilian Camp Money of World War II



by Ray Feller and Steve Feller

physics at Coe College in Cedar Rapids, Iowa, he is also an MPC fester and member of SPMC, ANA, NLG, AINA, Chicago Coin Club, and the Cedar Rapids Coin Club.

The Fellers discussed the discovery of historical information published for the first time in their book.

Dennis Tucker (left), publisher, Whitman Publishing, LLC, followed the Fellers. He is an

active collector of coins, tokens, and medals, who also enjoys studying paper money. His professional background is in corporate and nonprofit communications, marketing, PR, and publishing.

Paper-money books published under his tenure at Whitman include *A Guide Book of United States Paper Money* (Friedberg & Friedberg), *100 Greatest American Currency Notes* (Bowers & Sundman), *A Guide Book of Southern States Currency* (Shull), and *Obsolete Paper Money* (Bowers).

Dennis discussed "How to Succeed in Numismatic Publishing (By Really Trying)"—offering an insider's tips on

how to get published in the paper-money field. He also discussed some of the challenges peculiar to this segment of the hobby, and highlighted upcoming Whitman projects in the paper money field.

The forum concluded with presentations by Pierre Fricke (left) and Wendell Wolka, who separately examined new frontiers in numismatic "book publishing."

Fricke, whose *Collecting Confederate Paper Money* was SPMC's "Book of the Year" last year, talked about his new venture *Collecting Confederate Paper Money - Type Edition 2007*, his new e-Book designed for new collectors and type collectors of Confederate paper money.

"This e-book arms people with the knowledge to navigate the 21st century bourse floor and community," Fricke said. The "book" is available as a PDF format download.

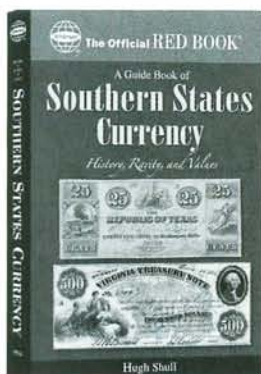
Emcee Wolka (below), whose other hats include author and researcher, and SPMC past President, *Paper Money* ad manager (and more recently as an elected governor of the ANA) has been collecting something for nearly 50 years. He authored our Society Wismer catalogs on Indiana (1978) and Ohio obsoletes (our SPMC 2005 "Book of the Year"), and hundreds of articles.



He also is researcher for Hugh Shull's Southern States and forthcoming CSA currency books for Whitman, and is a columnist for *Coin World* and *Numismatist*.

His present work is a 30-year update on CD for his Indiana Obsolete notes book (originally co-authored with Jack Vorhies and Don Schramm). The new e-book includes color images, and can be explored with Adobe Acrobat® or Adobe Reader.®





A brief question and answer session and meet-and-greet followed the formal presentations.

SPMC is chartered "to promote, stimulate, and advance the study of paper money and other financial documents in all their branches, along educational, historical and scientific lines."

Besides our annual Author's Forum, another of the ways we support research and publication is our George W. Wait Memorial Prize,

available annually to assist researchers engaged in important research leading to publication of book length works in the paper money field.

The Official Prize Announcement, including rules and deadlines for awarding this prize is published annually in our November/December issue, see page 476.

George W. Wait, a founder and former SPMC President, was instrumental in launching the Society's successful publishing program. The George W. Wait Memorial Prize is established to memorialize his achievements/contributions to this field in perpetuity. Up to \$500 is awarded annually in unrestricted research grant(s). (Note: the Awards Committee may decide to award this amount to a single applicant, or lesser amounts totaling \$500 to more than one applicant. If no qualifying applicant is found, funds will be held over.)

Past recipients include five individuals and one group. Each received the maximum award. 1st annual Wait winner

was Robert S. Neale for a book on antebellum Bank of Cape Fear, NC. The 2nd prize went to Forrest Daniel for a manuscript on small size War of 1812 Treasury Notes, publication of which is pending. Gene Hessler was honored for his book on international bank note engravers. R. Shawn Hewitt and Charles Parrish received the prize jointly for their splendid book on Minnesota obsolete notes and scrip which Hewitt described in our forum. Last year's winner was Dr. Michael Reynard for *Complete Guide to Check Collecting*. This year's winner is Matt Janzen for *Wisconsin National Bank Note Census*.

A third way the Society supports research and publication is the our General Research Grant program which awards up to \$500 to authors for more limited research, generally leading to worthwhile articles for publication in *Paper Money* or elsewhere. Up to six awards are made annually. This program is administered by the Society's Research Committee chaired by past president Ron Horstman.

Yet another way SPMC supports such activities is the Society's Wismer program which assists catalogers of state obsolete bank note and scrip volumes. Thus far 18 state catalogs have been published. Members have the opportunity to make contributions to our Wismer fund with due's renewals.

And not less important is the Society's free lending library for members, and the insightful columns into information flow via books and electronic media by our two most recent society librarians Bob Schreiner and Jeff Brueggeman. Periodically book reviews are published too, and *Paper Money* recently debuted a special book section to acclaim (see p. 427).

Next year's forum is only seven months or so away, so pack your bags now so you won't miss out. -- **Fred Reed** ♦

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THE
Kidder National
GOLD BANK
 OF BOSTON
 MASSACHUSETTS

THE KIDDER NATIONAL GOLD BANK OF BOSTON (#1699) was the first national gold bank chartered, and the only one located outside California. Its life was brief, a little over two years. It is apparent from the scanty records available that there was not a significant need for specie banks in the major port cities along the east coast, even



THE PAPER COLUMN

By Peter Huntoon

though international trade was conducted on a gold basis, and customs duties on imports were payable to the treasury in gold.

The bank was organized August 2, 1870, and chartered August 15, 1870. The principal officers were Henry P. Kidder, president, and Oliver W. Peabody, cashier. Both were principals in the venerable Kidder, Peabody & Company investment banking firm of Boston. Kidder was the senior partner in that firm, Peabody the junior partner. Francis H. Peabody, the third principal in Kidder, Peabody & Company, and Oliver's older brother, also participated.

Opening a specie bank in Boston by these men seemed to be a sensible business proposition at the time they organized their bank. It is worth placing the bank, and these gentlemen, in the context of those times.

Civil War Money

Let's first develop a perspective on the circulation of money during this period. Specie in the form of gold and silver coin did not circulate in all but a few far western states and territories from late 1861 until early 1879; rather, it was hoarded by the public. Specie payments by the banks and U. S. Treasury had been suspended at the end of 1861 in order to conserve what little remained in reserve.



H. P. Kidder *O. W. Peabody*

The circulating U. S. paper money during and after the Civil War consisted of Legal Tender Notes, and later National Bank Notes and Fractional Currency which were redeemable in Legal Tender Notes. Legal Tender Notes were simply circulating federal debt, carrying a promise by the federal government to pay at an unspecified date.

The value of Legal Tender Notes varied in relation to the confidence the public had in the ability of the U. S. Treasury to ultimately redeem the notes for gold. Thus, the Legal Tender Notes, and National Bank Notes and Fractional Currency which were convertible into legal Tender Notes, circulated at discount relative to gold coin. At the lowest ebb, near the end of 1864, when the treasury's stock of gold was all but depleted, one could buy Legal Tender Notes for 38.7 cents in gold, if one wanted them.

Specie payments by the treasury were resumed by law on January 1, 1879. The value of Legal Tender Notes and gold converged at that time, and both circulated at par thereafter. Prior to 1879, local economies in the east were largely on a legal tender basis, whereas some in the west, particularly in California, were conducted on a specie basis. Specie convertible National Gold Bank Notes made sense in the west where they were readily exchangeable, because they were more easily handled and transported than gold coin.

Kidder, Peabody & Company

It is important to fit a gold bank in Boston into this two-tiered web of currency. The following account of Kidder, Peabody & Company is distilled from Carosso (1971), and will set the stage.

The firm opened April 1, 1865, in the Union Bank Building at 40 State Street in the heart of Boston's financial district. The business was a reorganized spin off of Thayer and Brother, with roots tracing back to 1824, a firm in which Kidder and the two Peabodys served as clerks. The Thayers carried investment accounts, conducted a brokerage business, dealt in state and federal bonds, invested and traded in Massachusetts real estate and western lands, and dealt in securities of banks, insurance companies and railroads. In addition, the firm operated the leading currency exchange in Boston, a business concerned with discounting bank notes issued by various entities presented at its counter, and

Above left: Henry P. Kidder was the president of The Kidder National Gold Bank of Boston. (From Carosso, 1979). Above: Oliver W. Peabody was the cashier of The Kidder National Gold Bank of Boston. (From Carosso, 1979).

either selling them elsewhere or arranging for the redemption of them by their issuers. Apparently, the firm also dealt in foreign exchange as well.

The importance of the business and its location is reflected by the company they were keeping. At the time the Thayers occupied the State Street address, the three story building also hosted five banks, four insurance companies, nine loan and fund associations, several private banking and brokerage houses, and the Boston Stock and Exchange Board.

Kidder, Peabody & Company remained in the former Thayer office at 40 State Street, and retained the exchange accounts of the Thayers. They advertised themselves as offering banking, brokerage and exchange services, with brokerage activity in stocks, bonds and gold in New York, Philadelphia and Baltimore. A distinguishing characteristic of the firm as it grew was its ability to recruit capital needed to launch increasingly large and complex business ventures through the issue of bonds and later stock. Thus the firm grew to be one of the most influential investment banking firms in the country.

Early on, it was heavily involved in financing and/or financially reorganizing railroads during the heyday of the railroad building boom of the late 1800s. The firm was involved in financing more than 60 railroad lines including transcontinental systems, major eastern lines, and the Mexican Central Railroad. One major client was the Atchison, Topeka & Santa Fe Railroad, for whom they not only provided financing, but also served as the transfer agent, bank of deposit, and financial consultant.

Kidder, Peabody grew to the challenge of financing the huge and increasingly complex corporate structures that emerged during the onset of the industrial era. Clients firms that they launched at the turn of the 20th century included American Telephone and Telegraph and U. S. Steel, the latter to become the first billion dollar corporation. At this time, they also became heavily involved in the sale of foreign government loans in the United States, and even served as the bank of deposit for the Italian government. Of course, such activities could not be undertaken single handedly, so Kidder, Peabody formed or joined syndicates of investment bankers to finance these enterprises. One of its early and strongest partnerships was Baring Brothers & Co. of London.

A considerable part of Kidder, Peabody business in the early years was dealing in gold and specie, buying and selling foreign exchange, and issuing commercial and travelers letters of credit. Thus Kidder, Peabody had a major presence in the domestic and foreign currency and gold markets, all of which were carried out on a commission basis. Much of its overseas foreign exchange activity was conducted in partnership with Baring Brothers of London.

Species Banks on the Eastern Seaboard

With this background, it is possible to deduce the appeal of operating a National Gold Bank in the eastern financial hub of Boston in 1870. Boston commerce did not operate on a specie basis, so there was little need for specie notes there. Greenbacks - federal promissory notes - circulated freely on the east coast, albeit at a discount relative to gold.

Rather, Boston, a major port city with extensive foreign trade, served as an international financial center in which foreign exchange in the form of specie played a significant role. Thus such a bank would be engaged primarily in the international currency exchange business, and underwriting of commercial and travelers letters of credit backed by gold for international trade.

Comptroller of the Currency Hiland Hulburd contemplated the establishment of such banks in the principle eastern port cities in his 1870 annual report to Congress as follows (Hulburd, 1870, p. vii-viii):

Under the provisions of sections 3, 4, and 5 of the act approved July 12, 1870, authorizing the establishment of national banks for the issue of circulating notes redeemable in specie, but one bank has yet been established, the Kidder National Gold Bank, of

Boston, Massachusetts, with a capital of \$300,000. Information has been received that several other institutions of this character are in the process of organization, or in contemplation, two or three of which are in California. It was not anticipated that specie-paying banks would be established to any considerable extent, at present, in those sections of the country where a paper currency, based upon the legal tender issues of the Government, already prevails; although it was, and is still, supposed that one or more gold banks might be established and successfully conducted in each of those cities on the Atlantic seaboard where a considerable foreign trade is carried on, and in which a certain amount of business is necessarily transacted upon a specie basis. If all the business of this kind that is carried on in the cities of Boston, New York, Philadelphia, and Baltimore could be concentrated in one or two banking institutions in each of those cities, its extent would undoubtedly warrant the employment of a very respectable amount for its exclusive accommodation.

This model appears to be exactly the type of operation contemplated by Kidder and the Peabodys when they organized their National Gold Bank. However, once it was established, it is clear that their existing investment banking company could handle the same business more cost effectively, and with less regulation, because they dissolved the National Gold Bank within two years.

Kidder National Gold Bank

There appears to be very little in the way of records pertaining to the Kidder National Gold Bank enterprise outside of reports of condition published in the 1871 and 1872 annual reports of the Comptroller of the Currency, and in various bank directories of the period. The address of the bank was 40 State Street, the same as the parent Kidder, Peabody & Company. Its directors in 1872 were Henry P. Kidder, Francis H. Peabody, Oliver W. Peabody, F. G. Webster and H. C. Sibley.

The resources of the bank approached \$400,000. Deposits were a bit in excess of \$70,000 in 1871, and loans almost reached \$180,000 in 1872. The bankers reported profits of \$20,984.45 and \$17,841.19, respectively in the years ending October 1871 and 1872.

Despite having National Gold Bank Notes on hand in the bank, none were placed in circulation. The notes were not used to supply the needs of borrowers, so by not pressing them into circulation, the bankers were able to avoid paying the tax on circulation. Rather the loans were financed with specie, or at least covered by specie subject to check.

Kidder National Gold Bank Notes

The history of Gold Bank Notes printed, and sent to the bank, are available from the currency and bond ledgers housed in the National Archives.

Specimen of the \$50 Kidder National Gold Bank face complete with over-printed gold tint. There is legitimate question as to whether the extant \$50 and \$100 specimens were from the plates used to print the notes that were sent to the bank owing to differences between these and the issued California National Gold Bank Notes. (Photo courtesy of Gene Hessler)





Specimen of the \$100 Kidder National Gold Bank face complete with overprinted gold tint. (Photo courtesy of Gene Hessler)

Gold bonds in the amount of \$50,000 were deposited with the U. S. Treasurer to secure the circulation for the bank on August 15, 1870. This was followed on November 5, 1870, by an additional \$100,000 bond deposit.

The first printing of notes for the bank consisted of 50 sheets of Original Series 50-100s. These were received by the Comptroller's office on March 9, 1871, and sent to the bank on March 11th. They carried bank sheet serials 1-50, and treasury serials 273699-273748.

Seventy-five sheets of Original Series 500-1000s were received by the Comptroller on April 5, 1871, and sent to the bank three days later. They bore bank sheet serials 1-75, and treasury serials K2343-K2417. The \$1000s were the only National Gold Bank Notes of this denomination ever ordered and printed. This fact elevates the Kidder story to mythical dimensions among numismatists.

The high denomination shipment boosted the potential Kidder circulation to a total of \$120,000, the 80 percent legal limit for the \$150,000 in bonds that the bankers deposited as security. These two shipments accounted for all the notes ever printed for the bank. The notes bore Allison-Spinner treasury signatures, and August 15, 1870, plate dates.

All of the Kidder notes were returned to, and redeemed by, the Comptroller on December 4, 1871. The bonds for the bank were sold December 9th and 19th in \$140,000 and \$10,000 installments, and the bank was liquidated November 8, 1872.

Proofs survive of the Kidder \$50 and \$100 denominations (See Hessler, 1979), but none have been reported from the \$500 and \$1000 denominations. However, there is ambiguity that the extant \$50 and \$100 specimens are from the plates used to print the actual notes. The specimens exhibit two differences from the notes that were issued by the California banks. (1) The banner across the top is "National Gold Note" instead of "Redeemable in Gold Coin." (2) The Kidder specimens are overprinted with a beautiful gold tint bearing the word "GOLD" which underlies the treasury signatures, and is missing from the issued California notes.

It is entirely possible that the specimens were proposed designs that were later modified, so that nothing remains in private hands to represent the notes that arrived at the bank. This also may explain the survival of these specimens. They were passed out as models for comment, and not returned.

The Fate of National Gold Banking

The fact remains that no other National Gold Banks were chartered along the eastern seaboard. The Kidder, Peabody experience demonstrated that there was no economic incentive to operate special gold banks there. Only nine other National Gold Banks were organized, all in the hard money west, all in California, and all between 1870 and 1875.

They operated at a competitive disadvantage because their reserve

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Small Currency	6-5/8" x 2-7/8"	\$23.50	\$45.00	\$200.00	\$375.00
Large Currency	7-7/8" x 3-1/2"	\$26.50	\$49.50	\$220.00	\$410.00
Auction	9 x 3-3/4"	\$29.00	\$53.00	\$250.00	\$450.00
Foreign Currency	8 x 5	\$33.00	\$60.00	\$275.00	\$485.00
Checks	9-5/8 x 4-1/4"	\$33.00	\$60.00	\$275.00	\$485.00

SHEET HOLDERS

SIZE	INCHES	10	50	100	250
Obsolete Sheet					
End Open	8-3/4" x 14-1/2"	\$20.00	\$88.00	\$154.00	\$358.00
National Sheet					
Side Open	8-1/2" x 17-1/2"	\$21.00	\$93.00	\$165.00	\$380.00
Stock Certificate					
End Open	9-1/2" x 12-1/2"	\$19.00	\$83.00	\$150.00	\$345.00
Map & Bond Size					
End Open	18" x 24"	\$77.00	\$345.00	\$625.00	\$1425.00

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requirements were more stringent than non-specie National Banks, and the amount of circulation they could issue was limited to 80 percent of the value of the bonds on deposit with the treasurer rather than 90 percent. They remained viable only so long as legal tender currencies were shunned by the public.

Congress passed an act that was signed into law on January 14, 1875, requiring the resumption of specie payments by the treasury on January 1, 1879. Consequently the incentives for circulating National Gold Bank Notes vanished as the value of federal promissory notes approached specie at the onset of 1879. Provisions were made to allow the existing National Gold Banks to convert into regular National Banks through another act passed February 14, 1880, and those in California did so or liquidated. The First National Gold Bank of Petaluma was the last of the California gold banks to convert, an action that was taken in 1884 (Huntoon and Raymond, 1995).

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Labor Exchange Scrip

by Steve Whitfield

SCHINGOETHE SALE, #9, DEC., 2006 BROUGHT TO LIGHT many Labor Exchange notes that were simply not generally seen over the last 30 years. Many of these notes never saw the light of day as dealers set them aside for the couple, who always bought a note if they didn't have it, and stuck it in the vault. Although that kept many of the notes from being reported in numismatic circles, it served the purpose of gathering

up most of the Labor Exchange notes that had surfaced; thereby making it easier to record them at a single sitting.

I did a piece on these notes several years ago (see *Paper Money*, Whole #197, page 147) after some research into the Labor Exchange organization, and offered to collectors a list of branches that I had been able to record from their state or states of interest.

That research identified around 150 previously unreported branches of the 300 plus that were suspected from 34 states and Canada. (Arizona was listed in error.) Several collectors took advantage of the offer and requested reports on their states. Since then, quite a few notes have surfaced in auctions or dealer listings that verified many branch names and numbers. This most recent Schingoethe release is a bonanza of newly confirmed notes. It also included many previously unreported branch notes and corrected a couple of errors. And since it is unlikely that such a grouping will ever be assembled again, it seems like a good time to publish what is known and make it a reference for collectors, past and present; and future auction catalogers.

When I first got interested in these notes there was little known about them. Occasionally, one would appear at auction or on a dealer's list. The



designs, although varying slightly, are all of a similar theme proclaiming the superiority of labor over capital. (A unique set of notes, so far, also surfaced in this sale; of blue and red notes with entirely different designs from the "Self Reliance" branch in Cincinnati, Ohio.) The notes are denominated as fractions of a day's labor, from 1/100th to twenty units. (5/100ths are represented on some notes as 1/20th but for uniformities sake I have listed all reported notes of this denomination as 5/100ths.) The notes are not especially attractive but they have one great quality that has increased their popularity, which is the wide variation of localities and branch names that appear on the notes. While it would be relatively easy to put together a denomination type set from 1/100th to 5 units, the 10 and the recently surfaced 20 may be unique. Another possibility would be to try to collect the different design variations.

A real challenge would be to attempt to collect a note from each of the 34 known issuing states (plus Canada). This may well be impossible as 14 of those have not surfaced a single note to date. Undoubtedly some of these will turn up as more and more information is widely disseminated about the hobby and collectors seek them out. I believe the main attraction of these Labor Exchange notes will always be the great "Americana" locations,

and names of the branch locations; such as: Dixie, TN; Red Bluff, CA; Malta Bend, MO; Gray Cloud Island, MN; Science Hill, KY; Vineyard Haven, Martha's Vineyard, MA; Freedom, KS and many others. The greatest notes, to my way of



thinking would be #157, Toronto, Canada; (SENC) #103, Bernardi, OK; (SENC) #1, Kansas City, MO; #318, Nashville, IL (currently the highest branch number), and that "20" from Stevensville, Montana. It should also be noted that there are other collectibles related to DeBernardi's Labor Exchange besides the notes, such as receipts, checks and other related paper.

A few stats for those interested: The high branch number is now #318 from Nashville IL. About 185 branches have been identified so there may be another 130 branches or so remaining to be identified. It is also possible that most of those 130 never organized or issued notes. A unique 75/100th denomination was listed in the auction catalog for branch #219, Toledo, OR, but I believe this was a typo for 25/100ths. Only 14 of the former 48 continental United States do not have a known branch listed. The earliest date seen on a note is 1895 and the latest is 1898. Of the 34 states that have notes reported, 22 of them have 1 to 5 reported branches, 7 have 5 to 10 branches and 5 states (CA, CO, OH, OR and PA) have from 11 to 31 branches listed. CA is the champ for number of branches started. If you want a place to start, pick one of these five. About 125 of the known branches remain unconfirmed by reported notes and there are still a lot of missing branches and numbers of the 318 suspected total, so there is a lot of work remaining for dealers and collectors to root these out. I have recorded about 150 of these notes. I am sure there are more that I missed or logged incorrectly so if you can add to the list or correct errors, please do. My e-mail is stedia@earthlink.net.

Following is my listing of branch names with numbers, dates and "denominations" of notes reported, or seen.

State	#	Name	Date	Reported Denominations
AL	43	Branchville		
	298	Thomasville		
AR	82	Maple		
	280	Hot Springs		
	293	Fayetteville	1898	5/100, 1/4, 1/2, 1, 2, 5
CA	26	San Francisco	1898	1, 2, 5
	28	San Diego		
	29	Pleasant Valley		(El Dorado)
	32	Red Bluff		
	34	Farmington		
	39	Los Angeles		
	41	Arroyo Grande	1896	1/10
	46	Stockton	1896	1/10
	51	Fresno		
	64	Bakersfield		
	74	San Jose	1895	5/100
	77	Elsinore		
	88	Santa Paula		
	92	Venture		
	97	Tulare		
	106	Santa Cruz	1896	5/100
	127	Visalia		
	132	Williams		
	133	Eureka		
	135	Dos Palos		
	136	Portersville		2
	138	Carpenteria		
	144	Santa Barbara		
	167	San Francisco		
	177	Santa Maria	1897	5/100
	208	Elgin		
	241	Tulare		
	257	San Francisco	1897	2
	267	Reedley	1897	1
	?	Hanford		
	25	?		
CANADA	157	Toronto		
CO	11?	Forsythe?		(11 is Pfafftown, NC)
	66	Trinidad		
	81	Boulder ?		
	102	Monta Vista		(possibly 202)
	104	Fruita	1896	1/4
	151	Mosca		
	153	Hooper	1896	5/100 (Garrison?)
	156	Hotchkiss	1896	1/10, 1/2
	158	Denver	1897	5/100, 1/10, 1/4, 1/2, 1, 5 (1896)
	162	Aspen	1896	5/100, 1/4, 5
	165	Del Norte		
	242	Denver	1897	1
FL	308	Bunnell		
	?	Daytona		

State	#	Name	Date	Reported Denominations
GA	16	Atlanta		
	189	Fitzgerald	1897	1/4
ID	42	Idaho Falls	1895	5/100, 1
IL	179	Chicago	1897	1/100, 1/10, 1, 5
	269	Englewood	1897	5/100
	318	Nashville	1899	1/4, 1/2, 1
IN	154	Elkhart		(20th Century Branch)
	240	Kingstown		(Knightstown?)
IA	19	Center Point		
	288	High Creek		
	186	Mapleton		
KS	?	Avery		
	6	Olathe		(shirts)
	38	Olathe		(Press & Mill)
	54	Pittsburg		
	131	Salina		
	140	Harding		
	197	Edwardsville		
	199	Freedom	1898	1/10, 1/4, 1/2, 1
	223	Osage City	1898	5/100 (coal mining)
	?	Beloit		
	?	Ft Scott		
	?	Peterton		
	?	Turner		
KY	134	Science Hill		
LA	170	Nugent		
	271	Lake Charles		
MA	150	Haverhill	1897	1/10, 1/4, 1, 2
	291	Easthampton		
	299	Vineyard Haven	1898	5/100, 1/10, 1 (fish)
MI	303	Weymouth		
	35	E. Lansing		
	67	Saginaw		
	233	Manistee		
	246	Bay City		
MN	249	Grand Rapids		
	252	Detroit		
	25	Minneapolis		
	98	St Paul	1896	1/100
	225	New Ulm		
	260	Duluth		
	277	Gray Cloud Island		1.9 receipt
MS	309	Garfield		
	?	Lamberton		
MO	260	Biloxi		
MO	1	Kansas City	1898	5/100 (#216 E. 15th ST Tin cans & tailors)
	2	Marshall		1/2
	36	St. Louis		
	40	Kansas City		
	78	Brookfield		
	183	Marshall	1897	1/2, 1
	268	Malta Bend		
	?	Sedalia		(large fruit farm)
MT	69	Hamilton		

State	#	Name	Date	Reported Denominations
MT	93	Lewiston		
	192	Grantsdale		
	207	Stevensville	1897	20
	266	Great Falls		1
	289	Belt	1898	1
NE	20	?		
	286	Guide Rock		
NJ	195	Phillipsburg		
	121	Patterson		
	125	Orange	1897	1/10, 1
NY	159	Trenton		1/100, 5/100, 1/10, 1/4
	193	Jamestown		
	201	Jamestown	1897	1/100, 1/4, 1
	295	New York City		
NC	11	Pfafftown	1898	5/100, 1/4
	33	Taylorsville		
OH	84	Ashtabula	1897	1/100, 5/100 (1896?), 1/10
	107	Columbus		
	109	Cleveland		
	163	New Philadelphia	1896	5/100
	191	Akron	1897	1/100, 5/100, 1/4, 1
	210	Youngstown		
	213	Powell	1897	1/100, 5/100, 1



220	Cincinnati (Self Reliance Branch)	1897	5/100 (man/globe), 1/4, 1/10, 1/2, 1
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	(Unique Designs)	1898	5/100, 10/100, 25/100, 50/100, 1
224	Alliance	1897	1/100, 5/100, 1/10, 1/4, 1/2, 1, 2, 5
245	Columbiana		
262	Salem		
OK	3 Aline ?		(nut butter)

On This Date in Paper Money History -- Nov. 2007

By Fred Reed ©

Nov. 1

1709, New York paper money expressed in denominations of Dutch lion dollars; **1856**, American Bank, Dover Hill, IN issues \$2 note with depiction of child Jesus;

Nov. 2

1887, Swedish coloratura soprano Jenny Lind, who appears on U.S. obsolete notes, dies; **1963**, Federal Reserve Notes with no promise to pay in "lawful money" released;

Nov. 3

1778, Office of Comptroller of the Treasury created; **1930**, Bank of Italy becomes Bank of America;

Nov. 4

1823, Eagle Bank of New Haven, CT, issues demand notes with engraved payee L. Dwight or R. Sherman; **1870**, colonial paper money enthusiast Joshua I. Cohen dies;

Nov. 5

1814, Maus van Vranken issues 6 1/4-cent anti-slavery scrip with motto "May Freemen be Men and All Men be Free"; **1935**, Parker Brothers first markets Monopoly widely;

Nov. 6

1863, CSA Treasury agent Clarence T. Thayer arrives at Matamoros, Mexico with \$16 million in treasury notes to pay General Kirby Smith's troops; **1963**, production of Series 1963 \$1 FRNs with motto "In God We Trust" begins;

Nov. 7

1780, General Francis Marion confronts Colonel Banastre Tarleton at Richbourg's Mill, SC as depicted on Confederate \$100 note; **1912**, *Paper Money of the United States* author Robert L. Friedberg born; **1950**, first delivery of Series 1934D \$5 FRNs;

Nov. 8

1823, Banknote engraver Charles Burt born; **1872**, Kidder National Gold Bank liquidates; **1955**, Abe Kosoff sale of T. James Clarke paper money collection begins;

Nov. 9

1871, Charles J. Whiting, 34 John Street, NYC passes circulars to supply "perfectly executed counterfeit notes of the Bank of England at low rates"; **1886**, dealer and *United States Notes* author Wayne Raymond born;

Nov. 10

1796, Jacksonian economist William M. Gouge, author of *A Short History of Paper Money and Banking in the United States*, born; **1914**, National City Bank of New York opens first foreign branch of any NB in Buenos Aires;

Nov. 11

1868, Mrs. Catherine Engles arrested in Brooklyn with upwards of \$2,000 in counterfeit money on her person hidden under her skirts; **1988**, "Old Money: American *Trompe l'oeil* Images of Currency" debuts at Berry-Hill Galleries;

Nov. 12

1881, Lincoln National Bank of the City of New York organized; **1895**, encased stamp issuer Chicago hotel proprietor John B. Drake dies; **1949**, dealer Steve Ivy born;

Nov. 13

1850, Scots novelist Robert Louis Stevenson, honored on Royal Bank of Scotland one-pound note, born; **1864**, Stephen Girard's Banking House converts to National Bank;

Nov. 14

1861, Arkansas authorizes issue of Treasury Warrants; **1864**, experimental printing of Liberty 50-cent red back Colby-Spinner fractional currency;

Nov. 15

1777, Articles of Confederation confers rights to Congress to borrow money and emit

bills on credit of the United States; **1867**, first stock tickers between NYSE and member brokers; **1883**, Charles F. Libbie & Co. sells Fergusson Haines CSA notes;

Nov. 16

1864, John Wilkes Booth opens account at Jay Cooke & Co. Bank with \$1,500 deposit; **1914**, Federal Reserve Banks open for business;

Nov. 17

1867, Spencer M. Clark resigns as Superintendent of National Currency Bureau; **1999**, *Dallas Morning News* calls attention to new larger currency portraits on \$5 and \$10 FRNs with catchy headline "Big Wigs Getting Even Bigger";

Nov. 18

1858, *Thompson's Bank Note Register and Counterfeit Detector* published; **1981**, author Ayn Rand, the mother of Objectivism, speaks at National Committee for Monetary Reform New Orleans '81 convention;

Nov. 19

1862, NY stationer Leeds & Franklin sell card for mounting monetized postage stamps; **1862**, New Yorker Ferd. Mayer advertises to print small change bills for merchants;

Nov. 20

1806, earliest dated New Jersey bank note, a post note from the Trenton Banking Co.; **1815**, NYC Common Council appoints Daniel E. Tylee to sign municipal change bills;

Nov. 21

1912, end of Napier-McClung combined tenure as Register and Treasurer; **1996**, Ralph Marlin & Co. copyright "U.S. Money New \$100 Bill" necktie;

Nov. 22

1864, CSA Senate confirms nomination of George A. Trenholm as Secretary of the Treasury; **1963**, Col. Grover Criswell announces opening of his Criswell's Money Museum, St. Petersburg Beach, FL;

Nov. 23

1828, Florida Territorial Legislative Council charters first bank, Bank of Florida, Tallahassee over governor's veto; **1956**, auctioneer Abe Kosoff sells William P. Donlon paper money collection;

Nov. 24

1868, George W. Casilear patents printing numbers against fine line guilloche to foil tampering; **1955**, Stack's sells Frank A. Limpert Collection; **1986**, paper money dealer and author John Muscalus dies;

Nov. 25

1974, Greenback Party organized, advocating paying national debt in greenbacks and suppression of NBNs; **1953**, Matt Rother writes Treasury Secretary G.W. Humphrey to consider placing IGWT on our paper money; **1955**, Kagin's holds 200th auction;

Nov. 26

1963, Treasury Department says \$1 FRNs to replace \$1 Silver Certificates; **1997**, Western Publishing Co. renews copyright of Tom & Jerry's comic book "Money";

Nov. 27

1806, encased stamp issuer Detroit merchant Fred Buhl born; **1932**, SPMC member and dealer Lowell C. Horwedel born;

Nov. 28

1863, First National Bank chartered in Rhode Island (FNB of Providence #134); **1950**, British East Caribbean Territories introduce dollar-denominated currency;

Nov. 29

1872, Horace Greeley, who said "an iniquitous money system is not less cruel than the old system of chattel slavery," dies; **2006**, Reserve Bank of Zimbabwe issues new \$100,000 note;

Nov. 30

1656, Stockholms Banco established; first European bank to issue banknotes in 1661; **1840**, *Baptism of Pocahontas* by John G. Chapman, depicted on back of First Charter \$20 NBNs, purchased by Congress.



State	#	Name	Date	Reported Denominations
OK	103	Bernardi		
	160	Okarche ?		(possibly "Forest")
	311	Bellmont		
OR	14	Dilley		
	27	Pittsburg		
	85	Ukiah		
	89	McMinnville ?		10 (possibly "Amity")
	108	Salem	1896	5/100, 1/10, 1/4, 1/2, 1, 2
	118	Detroit		
	122	LaGrande	1896	1/10, 1
	123	Salem		(Lakeview)
	147	Coquille		
	185	Oregon City		
	200	Corvallis	1897	1/10, 1/2, 1
	203	Falls City		
	218	Empire City		
	219	Toledo	1897	5/100, 1/10, 1/4, 1/2, 75/100, 1 (note 75/100!)
	244	Harrisburg		
	253	Marshfield	1897	1/4
	?	The Dalles		
PA	12	Lititz	1897	5/100, 1/10, 1
	31	Monroeville		
	86	Erie	1897	(deposit certificate)
	119	Reading	1896	5/100, 1/10
	171	Leechburg		
	216	Johnstown	1897	1/2, 1, 2
	217	Beaver Falls	1897	1
	230	Brunswick Valley	1897	1/100, 5/100, 1/4, 1 (Kepner)
		Colony of Eastern PA		
	231	Sturgeon		
	255	Williamsport	1897	1
	264	Salem		
	265	Bellaire		
SD	274	Corry		
	?	Philadelphia		
	44	Aberdeen		
TN	10	?		
TX	175	Dixie		
	47	Caddo		
	239	Gainesville		
	256	Galveston	1897	5/100, 1/10, 1/4, 1/2, 1
	261	ElDorado		
	287	Houston		
UT	300	Clifton		
	307	Salt Lake City	1898	5/100
VA	188	Danville		
WA	18	Port Angeles		
	61	Buckley	1895	5/100
	62	Marysville		1
	68	?		
	180	Vancouver		
WI	250	LaCenter	1897	5/100, 1/4, 1, 2, 10
	187	Milwaukee		
	222	Stetsonville	1897	1/2

On This Date in Paper Money History -- Dec. 2007

By Fred Reed ©

Dec. 1

1801, Thomas T. Tucker takes office as U.S. Treasurer; **1862**, City of New Brunswick, NJ issues municipal scrip for 5-, 10-, 25-, and 50-cents;

Dec. 2

1816, first savings bank in U.S. to actually accept deposits opens as Philadelphia Savings Fund Society; **1963**, placement atop the Capitol dome of 19-foot six inch statue "Freedom" by Thomas Crawford which appears on Demand Notes;

Dec. 3

1755, artist Gilbert Stuart, whose Vaughn copy of his Athenaeum portrait of George Washington was engraved for U.S. currency, born; **1877**, Confederate Registrar Robert Tyler dies; **1917**, War Savings Stamps placed on sale;

Dec. 4

1864, Bank of North America converts to National Bank, allowed to keep its historic name; **1871**, Senator Sumner introduces a bill to authorize compound-interest notes as a substitute for legal tender notes;

Dec. 5

1842, Bank of Louisiana resumes specie payments; **1864**, Third Issue of Fractional Currency commences, according to U.S. Treasurer Jas. Gilfillan;

Dec. 6

1769, due to "great distress" in the Colony, New Jersey's Assembly authorizes 125,000 pounds in bills of credit; **1835**, President Andy Jackson decries irredeemable paper money in annual message to Congress;

Dec. 7

1863, CSA Treasury Secretary C.G. Memminger reports on finances; **1870**, *Brooklyn Daily Eagle* once again reports "Philadelphia is overrun with bogus fifty-cent currency";

Dec. 8

1863, Treasury Secretary Chase tells Congress the "national banking law has proved a valuable support to the public credit"; **1999**, current *Paper Money* Editor Fred L. Reed III's tenure begins;

Dec. 9

1870, Charles Scott acquitted of passing counterfeit \$10 U.S. note when "the most important witness on the part of the Government was absent"; **2005**, John Albanese of Archival Collectibles announces purchase of American Bank Note Co. archives;

Dec. 10

1863, Mr. Brown submitted resolution to "make Confederate notes a legal tender in payment of debts after the expiration of six months"; **1863**, Mr. Phelan introduced S. 151 to make CSA bond coupons legal tender in payment of debts;

Dec. 11

1865, Congress considers imposing felony charges on anyone who sells Confederate currency, with penalties of lengthy prison time at hard labor and fines; **1932**, innovative bank robber Willie Sutton escapes from prison;

Dec. 12

1811, Colonial Currency engraver Peter Rushton Maverick dies; **1924**, Lincoln Credit Union chartered by state of New York;

Dec. 13

1796, earliest extant dated check bearing \$ dollar sign; **1972**, world paper money authority Dr. Arnold Keller dies;

Dec. 14

1864, CSA government posts notice in *Richmond Enquirer* advertising for Federal

greenbacks; **1976**, first Treasury Bills in book-entry form sold;

Dec. 15

1820, Alabama authorizes Comptroller warrants in denoms of \$5 and up to circulate as currency; **1864**, CSA Treasury Secretary George Trenholm reports on finances;

Dec. 16

1789, *Pennsylvania Gazette* lauds the prohibition against the "danger of our having a paper tender"; **1954**, Henry Holtzclaw becomes BEP Director;

Dec. 17

1852, *Brooklyn Daily Eagle* publishes W.L. Ormsby's description of genuine bank note company plates employed by counterfeiters; **1878**, gold coins and paper money exchangeable at par;

Dec. 18

1816, banknote engraver Jacob Perkins and Thomas Gilpin patent watermarked paper; **1863**, initial delivery of \$5 First Charter National Currency to Comptroller;

Dec. 19

1801, Bank of South Carolina chartered, after a decade of operation; **1911**, CSA Treasury and currency scholar Raphael P. Thian dies;

Dec. 20

1819, Jacob Perkins, Gideon Fairman and Charles Heath form partnership to print English banknotes; **1862**, encased stamp issuer Hopkinton, MA merchant Arthur M. Claflin issues scrip;

Dec. 21

1833, Sen. Daniel Webster requests refreshing of his "usual retainer" to look after Bank of the United States affairs; **1863**, first examination of a National Bank performed;

Dec. 22

1885, auctioneer Ed Frossard sells William Lee collection of Confederate Currency; **1910**, U.S. postal savings stamps first issued;

Dec. 23

1785, paper money and U.S. Mint Chief Engraver Christian Gobrecht born; **1833**, Mississippi charts Grand Gulf RR & Banking Co. with banknote issuing privileges;

Dec. 24

1772, Colonial and Continental Currency printer David Hall dies; **1861**, CSA raises treasury note limit to \$150 million; **1864**, Boston lithographer Louis Prang sends President Abraham Lincoln album of scrip, etc. he has printed with Lincoln's image;

Dec. 25

1801, Zenas Crane purchases land for Dalton Paper Mill, at which he will revolutionize paper making for currency, for \$194; **1933**, SPMC member Noel Williams born;

Dec. 26

1928, SPMC member Joseph B. Noll born; **1955**, *United States Paper Money* author George H. Blake dies;

Dec. 27

1806, General Assembly of Kentucky approves an act to establish a state bank to be called the Bank of Kentucky; **1878**, ABNCo. consolidates NBNC and CBNCo;

Dec. 28

1861, New York bankers unanimously decide to suspend specie payments on Dec. 30th; **1910**, encased stamp issuer Cincinnati merchant John W. Ellis dies;

Dec. 29

1862, Hanover, IL merchant H.A. Hallerman issues scrip "under the law of necessity"; **1942**, Fed Circular 2564 restricts wartime HAWAII notes in the continental U.S.;

Dec. 30

1833, Massachusetts Colonial Currency author A.M. Davis born; **2005**, *Alabama Obsolete Paper Money* author Walter Rosene dies;

Dec. 31

1840, Mississippi extends charter of Bank of the State of Mississippi; **1890**, U.S. Treasurer Francis E. Spinner (FR 1324-1342) dies;



SPMC Memphis 2007 Board Meeting Minutes

Meeting date July 7, 2007

Present: Benny Bolin, Mark Anderson, Frank Clark, Rob Kravitz, Gene Hessler, Bob Moon, Judith Murphy, Fred Reed, Matt Jantzen, Jeff Bruggeman, Wendell Wolka

Not present: Wes Duran, Jamie Yakes, Tom Minerley, Bob Cochran

Guest: John Jackson

Call to order and Determination of Quorum

The meeting was presided over by President Benny Bolin and began at 7:45 a.m.

Minutes of Last Meeting

The minutes from the November 2006 St. Louis meeting and the two phone conferences since were approved with corrections as amended

Election

There is no contest to the election this year. Rob Kravitz and Fred Reed are up for re-election and Matt Jantzen and Robert Vandevender are seeking positions vacated by Wes Duran and Bob Schreiner. In the absence of the secretary, VP Anderson cast one vote for the four candidates and all were elected as presented. New members Jantzen and Vandevender were welcomed to the board.

Election of Officers

Officers are elected for two year terms and this is the year for elections. Benny Bolin was nominated and re-elected President; Mark Anderson was nominated and re-elected VP and Bob Moon was nominated and re-elected Treasurer. All votes were unanimous. The position of secretary was not voted on due to an agenda item to restructure the position.

Secretary Position Restructuring

A discussion was held related to the secretary position. Bob Schreiner developed an excellent job description which was previously distributed. The discussion was centered on splitting the job into a recording and corresponding secretary. It was noted that creating two positions would require a by-laws change. Mark Anderson will word this change and distribute to the board before our next meeting. Judith Murphy made the motion for this to occur. Second by Rob Kravitz and passed unanimously.

Election of Secretary

Jamie Yakes was nominated and elected secretary.

Treasurer's Report

The treasurer reported that this was a positive year in terms of net worth (see attached report). It was noted that due to advertising in *Paper Money*, we were in the black. The Forrest Daniel account has not been tapped and earned \$242.50 interest. Of note is the fact that due to the later date for Memphis, there were no funds related to our annual meeting in the financials. However, next year, there may be two debits of same. Mr. Moon reported that he had established a PayPal account for the society to be used for renewals and new members alike. The only potential problem is the need to communicate new member information that is normally obtained via

an application to the secretary. The use of PayPal will be at no fee for the users and cost the society about 80¢ for each use. President Bolin asked that Msrs. Moon and Reed work together to include a brief financial statement in at least three issues of *Paper Money* and for posting on the web. He asked these appear at a minimum in the editions pre-Memphis and pre-St. Louis. Mr. Moon also announced he needed all receipts and checks ASAP due to his schedule. A discussion occurred related to submission of advertising checks to the ad manager and treasurer in a more timely manner. In the end, Mr. Reed was instructed by President Bolin to make two copies of all checks he received monthly, one to keep and to send one copy to the ad manager and the checks to the treasurer. A discussion was then entered into related to the purchasing of bulk memberships by commercial firms for gifting to their customers. After a lengthy discussion, it was decided that this was allowable but that it would not denote any endorsement by the society. Motion by Bob Moon, second by Mark Anderson and passed. Mr. Moon then made a motion to allow purchasers of greater than 20 memberships to purchase them for a discounted price of \$20. Gene Hessler seconded. A vote was taken and the motion failed. The treasurers bond (a "commercial crime policy") is still active in an amount of \$250,000 for a premium of \$120/year. Finally, it was decreed by President Bolin that all references to Mr. Moon's status as non-elected would be deleted in both *Paper Money* and on the website and he would be referred to solely as treasurer.

Audit Committee

Mark Anderson gave a report of the audit committee. New members are being solicited and an audit will be done in November 2007.

Membership Report

Membership Chairman Clark reported that the society gained 227 new members this year. The website was the number one recruiter followed by Goldstein award winner Tom Denly and then Wendell Wolka. President Bolin brought up tracking members who leave between year 3 and 15 and try to gain insight into their defections. Secretary Yakes will be asked to do this on a yearly basis.

Grant Committee Report

Committee Chairman Ron Horstmann submitted a report on the current grant recipients. All are following the guidelines for the grants. Peter Huntoon submitted three requests that were approved on a motion from Wolka and a second from Gene Hessler.

Editor/Publisher Report

Editor Reed reported and showed the 250th issue of *Paper Money* that will be sent to the members soon. He reported that all is well with the magazine and there are plenty of articles for the future.

Regional Meetings Report

Murphy and Wolka reported on the activities of the society at regional meetings and upcoming events.

West Coast Representative

In order to meet the needs of our members on the west coast, President Bolin announced he had appointed Mark Baskin to be the non-board member west coast rep.

Bain Breakfast Report

Due to many unforeseen problems this year resulting in decreased number of tickets sold vs. guaranteed, we lost approximately \$250 on the breakfast. The raffle was a success in spite of fewer than normal donations. A discussion was held related to the future of the event. It was decided to investigate a different menu for the event, but it was felt by all that it was important to keep the event at the Marriott. A report on this will be given at St. Louis and a decision made. It was reiterated by President Bolin that we needed to get donations well in advance of Thursday set up at Memphis. Governors Yakes and Kravitz will be charged with making this a reality for 2008. Donors will be named in thank-you ads placed in *Paper Money* and on the website.

Liana Grant Update

Gene Hessler gave an update on the Liana Grant. To date he has sent copies of *The Engraver's Line* and *The International Engraver's Line* to 62 libraries. He had previously sent out the list. He has the ability to send about 18 more and is asking board and regular members for library nominations. We need to post the list on the website. Gene also asked that a press release for this activity be put in *Bank Note Reporter*, *Coin World* and *Numismatic News* as well as noted in *Paper Money*.

Editor's Contract

Mark Anderson related the status of the contract with the editor. He will revise it as needed and circulate to the board for approval and signing by Editor Reed.

By-laws

Mark Anderson related that the changes previously approved for by law changes were approved by electronic vote. It was decided to put an easy link to the by-laws on the website and the URL listed in the information portion of *Paper Money*.

Committees

President Bolin distributed a list of desired committees for 2007-8 and asked board members to decide which they wanted to be members of. His vision is that each committee will also have at least two non-board members on them. These will include an awards committee, long range planning and strategic growth, nominating, education, research and an editorial oversight committee to act as a liaison between the members and *Paper Money*.

Directors & Officers Insurance

The current D&O insurance is valid through the end of August. Treasurer Moon was instructed to complete the new application and renew when the company sent an invoice.

Article Discussion

President Bolin asked for discussion by the group related to a controversial article that had been named for an award. After discussion by the group, it was felt that this particular article did not meet the requirements for any of the award groups and would not be given an award.

Conference Call

President Bolin asked all members to send dates and times for a board conference call in the second or third week of August.

Adjournment

President Bolin adjourned the meeting at 10:10 a.m. ❖



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SPMC activities at Memphis and Milwaukee ANA show

Courtesy of photographs by *Bank Note Reporter*, Dave Harper, Dave Kranz and Bob Van Ryzin



Shawn Hewitt (left) receives the SPMC D.C. Wismer "Book of the Year" Award for his Minnesota obsolete note book from Wendell Wolka, while Mark Tomasko receives the SPMC Julian Blanchard Award for his Memphis exhibit of vignettes, proofs and their use.



Benny Bolin (left) presents Steve Goldsmith an SPMC Award of Merit on behalf of R.M. Smythe and himself, while Bolin presents Roger Durand the SPMC Nathan Gold Lifetime Achievement Award.



Jess Lipka (left) receives the SPMC "Best of Show" exhibit award at Memphis from Wendell Wolka, while John and Nancy Wilson receive SPMC Awards of Merit from President Bolin.



Presenters at the 4th Annual SPMC Author's Forum pose for a family photo. They are, clockwise from above left: Shawn Hewitt, Art Friedberg, Dennis Tucker, Wendell Wolka, Ray Feller, Steve Feller, Pierre Fricke and Doug Murray.



Wendell Wolka presents an educational lecture on grading at Memphis. His program has also been presented at FUN & ANA.



Paper Money Editor Fred Reed (left) receives the 1st Forrest Daniel Memorial Literary Award from Benny Bolin.



Former *Paper Money* Editor Gene Hessler receives the Numismatic Literary Guild's highest award, "The Clemmy," and a congratulatory kiss from *Numismatist* Editor Barbara Gregory at the NLG Bash during the Milwaukee ANA show.



ABOUT NATIONALS MOSTLY

BY FRANK CLARK

The Mary Moody Northern Foundation

A MAJOR PAPER MONEY AUCTION OF TEXAS Nationals hardly ever goes by without at least one mention of the Mary Moody Northern Foundation Collection (Moody Foundation.) Let me shed some light on the woman this foundation is named for, her father and the collection.

William Lewis Moody, Jr. was a leading Galveston financier for more than 60 years. Moody established the Moody Compress Company in 1894 to process cotton for exportation. This expanded into many businesses over the years as Moody moved from commodity-based trade to investment-oriented capitalism.

In September 1907 Moody applied for a national charter for the City National Bank of Galveston. Capital at the beginning for charter #8899 was \$200,000. Between 1911 and 1932 the City National Bank absorbed three national banks, the Galveston National Bank #4153, the First National Bank of Alvin #12580, and the First National Bank of Dickinson #12855.

During the Third Charter era, the City National Bank issued \$10 and \$20 Red Seals, Date Backs and Plain Backs. The Series 1929 era saw this bank issue \$10 and \$20 Type One and Two Nationals. The total amount of circulation issued was \$2,393,850. The City National Bank changed its name to the Moody National Bank in 1953 to honor its founder.

The cornerstones of banking, insurance and hotels led Moody to control Galveston for a half a century. This included bankrolling the Maceo Syndicate that ran Galveston's well-known gambling halls openly until the state of Texas finally closed them down in the 1930s after many years of operation.

Moody was a soft-talking, hard-dealing man who was regarded as a genius by his business associates, but his employees considered him a miserly tyrant. He was famous for his frugality and he once rebuked an insurance executive for giving a stenographer a \$5 raise after 20 years of service.

In 1950 he had a falling out with his only living son, William L. Moody III. His son had been his executive director for 10 years, but after the disagreement, the father never again spoke in his son's presence and left him only \$1 in his will.

To illustrate this hatred between father and son there is the following story. In the mid-1960s, William Philpott had brought to a coin show in Galveston a large size National sheet on the City National Bank of Galveston with the signa-

ture of W.L. Moody, Jr. as president. Philpott wanted John Rowe and Tom Bain to act as his agents in selling the sheet to the Moody family. Rowe and Bain called William L. Moody III on the phone about the sheet. The younger Moody was none too interested and he let fly a stream of expletives about his father. Rowe and Bain reported back to Philpott about their unfortunate luck. Philpott took the sheet back and contacted Ms. Northern. She gladly purchased the sheet thus laying the foundation for a larger purchase in the future.

The Moody financial empire ownership was left to the



Moody Foundation, a charitable trust. It was set up in order to keep the Moody empire intact and thus preventing its breakup to pay inheritance taxes.

Moody's 62-year-old daughter, Mary Moody Northern, was named president or chairman of the board of over 50 corporations within the Moody Foundation. This included three banks, a chain of 30 hotels, eleven ranches, two newspapers, a commercial printing plant, a cotton company and the American National Insurance Company, which at the time was the largest insurance company west of the Mississippi.

Mary had no formal schooling. It was said by a family friend that Mary did not want to go to school, so she did not. She did however have a few private tutors up to the age of 16, but she spent her childhood reading the newspapers for her education. She liked want ads and property transactions the most.

In young womanhood, she took a liking to a hotel clerk, Edwin Clyde (Mike) Northern. He was 19 years older than Mary. After they were married, the elder Moody set Mr. Northern up in the insurance business. The Northens did not have any children. Mr. Northern died on May 30, 1954, of a heart attack at home. Seven weeks later tragedy struck again as Mary's father died on July 21, 1954, at the age of 89. He was considered one of the ten richest men in America and he left behind an empire worth over \$400 million.

Mary spent a lot of time with her father especially after the setting up of the trust and the falling out he had with his son. Her father instructed her on making executive decisions and prepared her for running the foundation. Her frugality even surpassed her father's. It was said that up to about 1950 she did not have a radio or any other modern appliances in her home. Food was kept in an old-fashion ice box and her

house was heated by a wood stove. She drove a 1928 Studebaker until her father learned that people were laughing behind her back. Then he bought her a Cadillac.

In the mid-1960s, William Philpott decided to sell his Texas Nationals collection. He prepared a 40-legal page listing in November 1964. In April 1967 he added five 8.5 by 11 pages of Texas Nationals to the listing. Philpott did not record the serial numbers. He did record the town, bank, denomination, Friedberg number, grade and bank officers. No two notes were alike as Philpott collected by Friedberg number and bank officer. Total face value was over \$35,000 and it was almost all pre-1929 Nationals.

There were only two 1929 Nationals listed in the collection and they were in the sub-collection of notes bearing the names of presidents of the Texas Bankers Association. Philpott was the secretary of the TBA from 1913 to 1964.

In order to read the listing correctly as to Friedberg number, you will need a pre-ninth edition Friedberg. With that edition in 1978, the proper order of emission for Third Charter Red Seals and Date Backs was realized. The Texas large and small uncut sheets of Nationals were not listed in the for sale inventory.

In 1968 Bain-Brownlee-Rowe bought the Philpott Collection. Portions of it were the uncut sheets of Texas Nationals, the serial number 1 Nationals, notes signed by presidents of the Texas Bankers Association, and the Texas First Charter Nationals.

The major part of the collection was the other Texas Nationals that Philpott collected by bank, Friedberg no. and bank officer signature. A total of more than 1,000 Nationals was in this part of the collection. The Texas First Charter notes were eventually bought by Bill Logan of Houston.

Ms. Northen acting for the Mary Moody Northen Foundation that she founded in 1963 enters the picture at this point. She wanted the Nationals that were signed by her father. There were seven notes that he signed out of the more than 1000 notes in this part of the collection. It did not phase her for the foundation to buy this entire part of the Philpott Collection not part of any of the specialized collections.

John Rowe and Tom Bain delivered the collection to the designated bank storage room. The notes have rested in their original Samsonite suitcase ever since. Ms. Northen passed away on August 25, 1986.

As a sidelight, my high school graduation took place at Moody Coliseum on the grounds of the Southern Methodist University campus. It was named for W.L. Moody, Jr.

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Conversations with John N. Rowe.

Oakes, Dean and John Hickman. *Standard Catalog of National Bank Notes*. 2nd Edition. Krause Publications, Inc. Iola: WI., 1990.

Time magazine - different issues August and September 1954.

Moody National Bank Website. ❖

Official Notice: Nominations Open for SPMC Board

The following SPMC Governors' terms expire in 2008:

Jamie Yakes
Tom Minerley

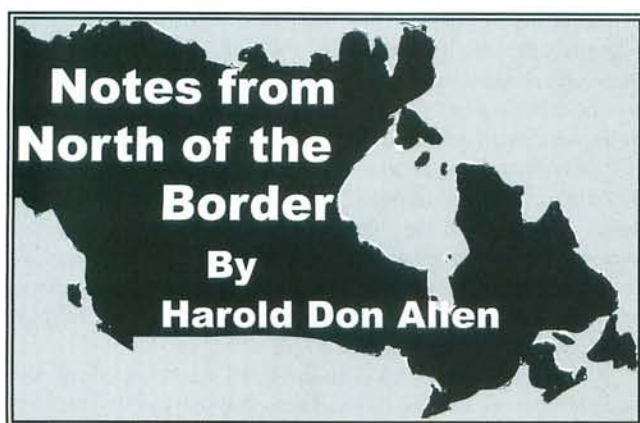
Bob Cochran
Gene Hessler

If you have suggestions for candidates, or if the governors named above wish to run for another term, please notify Nominations Chairman Judith Murphy, P.O. Box 24056, Winston-Salem, NC 27114.

In addition, candidates may be placed on the ballot in the following manner: (1) A written nominating petition, signed by 10 current members, is submitted; and (2) An acceptance letter from the person being nominated is submitted with the petition. Nominating petitions (and accompanying letters) must be received by the Nominations Chairman by March 15, 2008.

Biographies of the nominees and ballots (if necessary) for the election will be included in the May/June 2008 issue of *Paper Money*. The ballots will be counted at Memphis and announced at the SPMC general meeting held during the International Paper Money Show.

Any nominee, but especially first-time nominees, should send a portrait and brief biography to the Editor for publication in *Paper Money*. ❖



The Best of Times

My writings and talks on adventures of "world paper" acquisition do tend to underline a recurring theme, that the present is a great time -- recalling Dickens, a "best of times" -- to be collecting and to be striving for growth in knowledge and in related numismatic comprehension.

This from the perspective of six decades of paper money exploration.

Allow me, in that spirit, to provide a glimpse, with relevant note illustrations, of fiscal paper possibilities of immediate post-war years. We'll share an attractive cluster of King George VI portrait, British Commonwealth notes that (in our port city setting) could be acquired in top shape and at face.

Think Barbados, Bermuda, British Caribbean Territories (as then called), Jamaica. At which point it should be instructive to compare and contrast with sources and availability of really fine notes at this relatively late date.

Such could convince you that those "good old days" had to have been a prime time for creative collecting . . . and, as importantly, that distinctive advantages can be identified in connection with imaginative collecting in the here and now.

Portraiture of the late king could have constituted, in itself, a worthy collecting theme -- as on six then-current Canadian note denominations (*Paper Money* 227), but to me it also represents a mark of integrity, as did the pound Sterling monetary unit. My summer office job was paying \$80 per month, so even one pound I deemed a significant sum. I tended to concentrate on lower-value notes in monetary units that I felt that I could trust.

Four King George VI Classics

The Government of Barbados \$1, lowest and commonest of five Sterling-linked, local-dollar denominations, colorfully features the royal portrait in dark green, the seal of the colony



in a rich purple, with supporting tints of brown and orange. Signed by Commissioners of Currency, my Barbados \$1 is issue-dated 1st June, 1943, and so is one of the later releases. Barbados also (at that time) was served by United Kingdom and Canadian banks of issue. From 1950 through 1973, Barbados used currency of the British Caribbean Territories, Eastern Group, which at that stage were undifferentiated as to domicile. Distinctive issues of the Central Bank of Barbados date from 1973, with five current values (\$1, \$5, \$10, \$20 and \$100) accessible to collectors, and essentially uninflated.



The Bermuda Government's attractive blue one pound of 17th February, 1947, is a relatively common value of a four-denomination (5-, 10-shillings; 1- and 5-pounds) post-war release, with a 10 pounds high value from 1964. Bermuda currency was decimalized, the pound giving way to a par-American Bermuda dollar, from 1970. Issues in the name of the Bermuda Monetary Authority date from 1974. Current releases, deservedly popular with collectors, range to \$100, with signature/date varieties and commemorative themes.



British Caribbean Territories: Among my favorite King George VI portrait notes is a bright green, 1951-dated \$5 of that monetary union, a favorite because, as things turned out, the note was to be the forerunning of so much. A scroll serves to map rather diverse areas where it was expected that the note would see service, namely: Trinidad and Tobago, Barbados, Leeward Islands (Anguilla, Antigua, Montserrat, St. Kitts), Windward Islands (Dominica, Grenada, St. Lucia, St. Vincent), and British Guiana. Trinidad and Tobago, Barbados, and British Guiana -- as the Cooperative Republic of Guyana -- eventually dropped out of the group, inaugurating national currencies.

Queen Elizabeth II portrait notes of similar early design date from 1953, with a modified Eastern Caribbean Currency Authority release from 1965. That same issue introduced domiciling of East Caribbean currency, by a "letter in circle" black overprint ("A" for Antigua, "D" for Dominica . . . eight in all). The Eastern Caribbean Central Bank, from 1985,

The President's Column



Dear Santa

To: S. Claus—North Pole.

From: Benny Bolin—President SPMC.

Dear Santa: I have been a good boy this year. I have not altered or enhanced any notes. I have not taken advantage of any unknowing people in possession of highly collectible notes. I have not sniped on eBay. I have presented topics and tried to make the SPMC a better organization. I hope that when you fly your sleigh over the world this December 25th, you will bring me the following gifts;



1. An ever growing society that numbers at least half the circulation of *BNR*.
2. A determined direction for the society to go in the next 5 years that is based on the desires and wishes of the membership.
3. A cadre of enthusiastic collectors/dealers who want to make the hobby ever better and will serve the society in many different roles, from presenters of educational activities, to members on committees, to candidates for the SPMC board of governors.
4. An effective awards program that is highly influenced by the membership and rewards the "over and above" labors of committed members.

As I write this, it is 100°, humid and dry—Summer in Texas. It seems a long reach to think about Santa and winter, but it was also not that long ago that the four Santa wishes above were long reaches as well. Fortunately, Virginia (Tom, Mark, Judy, et. al.) there is a Santa Claus. And his name is YOU! Yes, you can make those dreams come true and bring a big smile to this little boy's face (if Santa can be real, I can be little). Your time and efforts are all that is needed to make the society one that will last into perpetuity and ever meet the needs of collectors and dealers. I have put out a call for committee memberships in the above areas and others as well. The SPMC is your society; therefore make the commitment to make it better.

The year is winding down again and it has been another blockbuster year. We just saw the great results of two auctions—the CAA auction of the Mayer collection and Stack's auction of the final lots of John Ford's fractional collection. Please join us if you can at the PCDA show in St. Louis on November 9-11 (note earlier weekend this year). The SPMC will be having a general membership meeting on Friday at 2 p.m. with Wendell Wolka presenting his great program on grading and detecting altered notes. Then, after a holiday respite, we start another new year in Florida with FUN, FUN, FUN!!!

Until next year—happy holidays and a great new year!! Oh and if you have an extra—one Christmas wish for me—a sheet of Fr. 1352-1354—no need to wrap it!

Benny

money mart

Paper Money will accept classified advertising on a basis of 15¢ per word (minimum charge of \$3.75). Commercial word ads are now allowed. Word count: Name and address count as five words. All other words and abbreviations, figure combinations and initials count as separate words. No checking copies. 10% discount for four or more insertions of the same copy. Authors are also offered a free three-line classified ad in recognition of their contribution to the Society. These ads are denoted by (A) and are run on a space available basis.

Special: Three line ad for six issues = only \$20.50!

INTERNATIONAL ENGRAVER'S LINE, World engravers & their work, 392 pages, 700 ill., most in color, \$74 incl. post. Premium ed. with signed notes \$140. Gene Hessler, PO Box 31144, Cincinnati, OH 45231 or engraversline@aol.com (252)

COLLECTOR BUYING AND SELLING published U.S. National Bank Histories and other publications! Offer what you have; send your "Want List." Bob Cochran, PO Box 1085, Florissant, MO 63031 (PROUD SPM-CLM69) (252)

AUTHORS RECEIVE FREE CLASSIFIED AD. Write now (PM)

LINCOLN PORTRAIT ITEMS. Collector desires bank notes, scrip, checks, CDVs, engraved/lithographed ephemera, etc. with images of Abraham Lincoln for book on same. Contact Fred Reed at P.O. Box 118162, Carrollton, TX 75051-8162 or freed3@airmail.net (252)

HUNDREDS OF PAPER MONEY MAGAZINES FOR SALE from before I became Editor back to 1960s & 1970s. I bought these filling sets. Fill your needs now. E-mail me freed3@airmail.net & I'll sell you what I got! (252)

WANTED. Canadian Chartered Bank Notes. Wendell Wolka, PO Box 1211, Greenwood, Indiana 46142 (252)

AUTHORS RECEIVE FREE CLASSIFIED AD. Write now (PM)

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WANTED. OBSOLETE AND NATIONALS from New London County CT banks (Colchester, Jewett City, Mystic, New London, Norwich, Pawcatuck, Stonington). Also 1732 notes by New London Society United for Trade and Commerce and FNB of Tahoka Nationals #8597. David Hinkle, 215 Parkway North, Waterford, CT 06385. (254)

WANTED OBSOLETE BANKNOTES & SCRIP of Worcester, MA. Please e-mail or write to: edpognt@roadrunner.com or Don Latino, 1405 Cape St., East Lee, MA 01238 (256)

WANTED NATIONALS -- HAYS NATIONAL BANK in Clinton, New York. Charter #10295. Neil Schrader, 3320 Minglewood Dr., Beaumont, TX 77703-2734 (256)

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domiciled primarily by a serial number suffix letter, adding "bar" permutations, possibly machine readable, from 1993. Later notes are undated.

Issuing authorities, issues, denominations (seven in all), eight-fold domiciling, and a dozen or more signature permutations, make for distinct diversity . . . plus a unique collecting challenge. Some East Caribbean notes from early or short-lived issues, higher denominations, or small or difficult settlements (think Montserrat!), can prove particularly tough.

I'm glad I picked up that King George VI \$5 "way back when."



The Government of Jamaica, King George VI "pound note," of an overall design introduced in 1939-42, was released in dark green (pink and light green tints) in 1940 -- mine is dated 1953 -- and, unusually, was not succeeded by a Queen Elizabeth II issue until 1960. It should prove a common note.

Still earlier Jamaican notes, government releases under 1904 and 1908 legislation, bank issues of United Kingdom and Canadian institutions, can prove decidedly difficult, if available, especially so in higher denominations and better grades.

More recent Jamaican issues, those of a central bank (Bank of Jamaica), should prove, by and large, relatively accessible. The bank's first notes in Sterling denominations (5- and 10-shillings; 1- and 5-pounds) are Queen Elizabeth II portrait notes, and cite 1960 enabling legislation. "Dollar" issues released by the bank in 1970 initially provided five denominations (50-cents; 1, 2-, 5- and 10-Jamaican dollars) and featured national figures. A \$20 was added in 1977.

An overall reduction in note size dates from 1985.

Four further denominations have entered service, \$50 and \$100 values in 1986-88, \$500 in 1994, and the Michael Manley \$1000, which dates from 2000.

Late 1940s . . . those were the days! I well recall Mexico's 11-cent red peso, the calendar stone; "B" stampings for Berlin; the striking iridescence of crisp British Honduras dollars (greens, purples, reds); and the wonderful Irish ploughman notes -- always brown, so invariably five pounds, and more than I could afford. Literature, however, was sparse, but Thomas Cook in Montreal had possessed a wondrous loose-leaf compendium on note redemption possibilities, known counterfeits, and such . . . which I had been allowed to peruse.

Today, 50 or more years later, international and national societies, periodicals, general and specialized catalogues, and a growing number of local clubs, exist to promote and serve the note-collecting fraternity. "Jobbers" trek through Africa, Asia, South America, to stockpile new issues for dealers and their customers, and to hunt down elusive earlier notes. Incredible possibilities exist for creative individual collecting. You sense what I mean by the best of times?

To conclude, several high-tech notes of this later genera-



tion, Queen Elizabeth II portrait on a Gibraltar "millennium" five pounds, and the 2005 Falkland Island five pounds, and the recent, enhanced security Canada \$5 with portrait of Sir Wilfrid Laurier. Plus, the new Michael Manley Jamaican high value.

As I say, you do your thing.



MURDER AND INFLATION:

The Kentucky Tragedy

By Clifford F. Thies

Eldon R. Lindsay Professor of Economics and Finance
Shenandoah University

FOLLOWING THE PANIC OF 1819, THE STATE OF Kentucky sought to provide relief from the suddenly harsh burden of debt on many of its citizens, by creating the Bank of the Commonwealth, a new kind of bank, one completely owned by the state government and not at all bothered by specie, and by suspending foreclosure for up to two years upon the tender of paper money by debtors. There followed a period of inflation, a collapse of the economy, political conflict, concern for the preservation of a republican form of government, and murder. A new history, *The Kentucky Tragedy* by Dickson Bruce (LSU Press, 2006), tells the story of a particular murder – one of operatic proportion – that occurred during this tumultuous period. The story of this murder, the trial of the murderer and of his execution, is compelling. But, so is the context within which this murder took place.

PRELUDE TO MURDER

The Panic of 1819 was precipitated by the effort of the U.S. government, aided by the Bank of the United States, to bring about a resumption of specie payments. During the War of 1812, the banks of the country outside New England suspended specie payments. And, while they were in suspension and awash in U.S. Treasury Notes (which they treated as reserves), they increased their lending and note issuance, and touched off a bubble in land values. It was expected that, following the war, the banks would resume specie payments, but this did not happen on its own and, so, the federal government announced that, as of a certain date, only the paper of specie-paying banks would be acceptable in payment of taxes and other dues to it, and to its fiscal agent, the Bank of the United States. Following this announcement, most of the banks of the country resumed, but for many banks, whose borrowers were unable, themselves, to repay their debts in specie or bank notes redeemable in specie, this resumption proved abortive, and much of the country south of Virginia and west of Pennsylvania relapsed into suspension.

During the relapse into suspension, many of the state legislatures of the country tried to give relief to debtors through one or both of the following expedients: First, laws postponing or otherwise making more difficult foreclosure sales; and, second, chartering new banks from which borrowers could refinance their loans on easy payment terms. Kentucky and Tennessee may have been the foremost states for debtor relief legislation.

The state of Kentucky had already tried the new bank scheme. In 1818, it had authorized up to 43 “independent banks,” to go along with the long-established Bank of Kentucky and the two branches of the (Second) Bank of the United States in the state. These new banks did not have to redeem their notes in specie, but could redeem them merely in notes of the Bank of

Kentucky. The idea was that the specie in the vaults of the Bank of Kentucky could be used, through these new banks, to support an expanded multiplication of paper money in the state. The new banks were supposed to borrow, in the aggregate, something like \$1 million in notes from the Bank of Kentucky, and then issue \$2 million of their own notes.

But, instead of increasing the amount of paper money in circulation, the pyramid scheme appears to have disrupted monetary arrangements, with the withdrawal from circulation of the well-known notes of the Bank of Kentucky, and the emission of a variety of notes of unknown value. Apparently, the notes of the new banks were quickly returned to them for redemption, and this "reflux," as it was called, forced many of the new banks into suspension. As a result of the many failures of the independent banks, and of their relationship, via the pyramid scheme, to the Bank of Kentucky, they came to be characterized as "The Forty Thieves," as in "Ali Baba and the Forty Thieves."

In mid-August 1819, two of the new banks were reported as being unable to redeem their notes. The next week, two more were reported to have failed, and eight others were described as "suspicious." By early September, a total of sixteen of the new banks were either known or suspected to have failed. By November, according to one account, 17 of the new banks had failed, and eight others were suspect or inactive.

With the failure of so many of the independent banks, monetary arrangements apparently became deranged. Change tickets were issued by merchants and gained a degree of currency, indicative of a lack of coins in circulation. And, advertisements made barterlike offers for commodities produced in Kentucky for export, e.g., "whiskey at current prices will be taken in payment of debts," and "the subscriber will receive in payment of debts pork, flour and whiskey," indicative of a lack both of paper money redeemable in specie and of coins in circulation.

In February 1820, with the abject failure of its pyramid scheme, the state tried a new tack. It extended its "replevy" law whereby debtors could redeem their property following a foreclosure sale, to up to two years. Kentucky had long had a replevy law, but the period of redemption had previously been only three months. At about the same time, the Bank of Kentucky suspended specie payments, and its notes fell to a discount of about 20 percent against specie.

Monetary arrangements remained deranged through the year. Notes of the Bank of Kentucky continued to be heavily discounted against specie. And, advertisements continued to make offers such as "intends selling dry goods low for cash, hog's lard or hemp. He will also take the above articles in payment of debts," and, "we offer our groceries at cash prices for the following items of produce: 20,000 wt bacon hams, 20,000 wt hog's lard, tallow, beeswax, whiskey, hemp, tobacco, white beans, peas, etc."

ENTER THE BANK OF THE COMMONWEALTH

Toward the end of the year, the state embarked on yet another course. It revoked the charters of the independent banks and organized a new kind of bank, the Bank of the Commonwealth of Kentucky, backed by the full faith and credit of the state (meaning, not backed by anything of intrinsic value), whose stock was completely owned by the state, and whose officers and directors were appointed and paid by the state legislature.

The fact that the Bank of the Commonwealth was completely owned by the state of Kentucky was considered positively by its supporters. Governor John Adair, a "Relief" man, said, "The Bank of the Commonwealth is founded on the wealth and honor of Kentucky, having for its object the general good, and those who predict its downfall, as much undervalue the riches of the state as they discredit her character for fair dealing."

The first emissions of the new paper money were made in April 1821. By October, \$2.3 million had been emitted. During this time, the value of the paper money of Kentucky, in terms of specie, collapsed. One newspaper spoke of "... the rapid and continued depreciation of our paper money for some weeks past ... the depreciation is already fortyfive percent or more ..." A few months later, it said, "Specie now command an advance of 57 percent in notes of the Bank of the Commonwealth."

Another newspaper cited a letter from a subscriber to an associate in Tennessee, "Fortyfive advance has been given in Kentucky and Commonwealth paper for U.S. funds. Fifty is now asked." Several months later, this newspaper said, "We understand that specie has grown so scarce in Louisville that 2050 dollars in Commonwealth paper has been given for 1000 dollars in specie." *Niles Register* of Baltimore reported a curious incident of the exchange of money in Kentucky: "A person lately paid \$5 to a printer in Kentucky, tendering a ten dollar bill of one the banks of Virginia, and was surprised at obtaining a discharge of his debt and three five dollar notes in the way change for his own."

In **Figure 1** (page 465), I show the value of the paper money of Kentucky relative to specie through the entire period. I have constructed this time series from several sources. The fall in the value of the paper money of Kentucky upon the opening of the Bank of the Commonwealth through 1822 is manifest.

During 1822, newspapers noticed a peculiar asymmetry in the price changes accompanying the fall in the value of the paper money of Kentucky. Namely, prices of local produce and of labor were not rising, only those of imported goods. Consequently, the inflation adversely effected the terms of trade of the state, as well as made repayment of "foreign" debts more burdensome, and, in these two ways, impoverished the state.

Said one newspaper, "We understand that the prices of produce, of the Country, or of labor have not changed in their value in the banks notes of this state or of the commonwealth ..." Said another, "such is the moderate price of every article of domestic produce, that the normal value of the currency ... is not depreciated ... [But] no man can leave Kentucky and travel into other parts of the Union, without paying nearly one-third of his funds for the purpose of converting the remainder into real money." And, "the balance of trade in consequence of our importation and the low price of our produce has been greatly against us."

With the collapse of the value of the paper money of the Bank of the Commonwealth, several proposals were made to shore up its value by reducing the amount in circulation. One proposal was to stop making new loans, and collect some payments on the loans already made. But, this policy (or, we might infer from what follows, the mere announcement of the policy) had little effect in slowing the fall in value of the paper money. **Figure 1** shows a strengthening of the value of the paper money in 1822, but the uptick was short-lived. In fact, before the policy was implemented, the lower house of the state legislature passed a resolution disapproving it; and, three days after the policy was implemented, it was rescinded.



\$1 note of the Bank of the Commonwealth of Kentucky, 1821.

HERE COMES THE JUDGE

In 1822, two circuit court judges of the state, independently, found that the application of the replevy law to pre-existing contracts violated the U.S. Constitution's "impairment of contracts" clause. And, the next year, the Court of Appeals (the state's Supreme Court) took up the two cases, held three days of hearings on them, and found, 3-0, that the replevy law was indeed an impairment of contract, unconstitutional, and void.

Following this, for the next several years, the politics of the state revolved about the constitutionality of the state's relief laws, and the role of the judiciary relative to the legislative and to the executive branches of government. The underlying issues of debtor relief and paper money gradually receded, as their disastrous consequences were made evident.

Indeed, beginning in 1822, there was a spontaneous rejection of the paper money of the Bank of the Commonwealth, with the recognition of specie and the notes of the branches of the Bank of the United States in the state, which could be redeemed in specie, as the unit of account. When the paper money of the Bank of the Commonwealth was first issued, coin and bank notes redeemable for specie were exported or hoarded, and only the paper money of the Bank of the Commonwealth circulated. But, this soon changed.

Through November 1822, the prices in the *Louisville Public Advertiser's* price current were given in paper money, then, in December, prices were given in specie. The *Kentucky Gazette*, a Relief paper, continued to publish price currents in paper money through 1825, at which time it, too, began quoting prices in specie. Later that year, it published a conversion table facilitating the use of the paper money of the Bank of the Commonwealth as a parallel medium of exchange to coin and bank notes redeemable in specie.

The state legislature protested the decision of the Court of Appeals, describing the court's voiding of the law as a usurpation of legislative power. "The people of Kentucky ... have no preference for judicial tyranny ... They will not tolerate tyranny under any disguise ..." The legislature then attempted to remove the judges of the Court of Appeals on the grounds of bad behavior, but failed to attain the required two-thirds majority by the narrowest of margins, falling one vote short in the lower house and two in the upper. The legislature subsequently passed a law "reorganizing" the Court of Appeals, abolishing the "Old Court" and creating a new state Supreme Court that was staffed with judges sympathetic to the Relief agenda.

The legislature also expressed its view of the nature of the rights of man:

The right of each member of society must, from the nature of government, depend on the will of all, and that will must be displayed by the agency or expression of the majority.

...the will of the people, in civil society, constitutes the sovereignty of the state; that sovereignty is essentially a moral force, of unlimited extent ...

In civil society, each of the members enters a double will, the one as a commoner in nature, the other as a member of a corporate body. The first is erratic, impulsive and selfish; the other is social, or rather political, and ... pure, enlightened and disinterested.

Instead of seeing the rights of man as inherent, endowed, as it were, by the Creator, and seeing governments as formed by men in order to secure these rights, it sees the rights of man as dependent on something described as the will of the majority. Instead of seeing interest as inevitable, if not as good, and seeking to restrain the excessive pursuit of interest through a system of checks and balances, it denigrates the individual, describing the individual as impulsive and selfish, and glorifies the collective as pure and enlightened.

MURDER AND THE ELECTIONS OF 1825 AND 1826

In late 1824, one of the sons of Governor Joseph Desha, Isaac B. Desha, was arrested for murder and highway robbery, as reported in the *Louisville Public Advertiser*:

It appears that [Isaac B.] Desha fell in company with Mr. [Francis] Baker at some place near Mayslick. After some conversation, by which he learned that Mr. Baker was traveling eastward, and intended calling on Captain William Beckly, a relation of his living near Washington, he, Desha, offered to accompany him, to show him the way to that gentleman's, which offer was accepted. Nothing more was seen or heard of Mr. Baker until he was found several days afterwards in the woods covered with logs and rubbish, with his throat cut from ear to ear! The back of his head was much bruised, supposed to have been occasioned by the strokes of a large whip in Desha's possession and the thumb of his right hand had been cut – apparently while resisting the knife of the murderer. Desha, we learn, was met near the place where the murder was committed, by a lad, who asserts that his hands and clothes were bloody, and that he was carrying a bridle, which was also bloody. The horse of the deceased was found in the possession of Desha; and a shirt Desha had on, on being compared with Baker's, was found to be of the same quality, with the mark cut out in precisely the same place where Baker's name was written on the other.

After a change of venue favorable to him, Isaac B. Desha, who was defended by a team of prominent Relief lawyers, was tried and found guilty. But, the judge, a Relief man himself, granted Desha a new trial.

The murder, the change of venue and the declaration of a mistrial by a friend of the Governor dragged down the Relief party in the elections of 1825. In this election, the Old Court party gained a large majority of 22 seats in the 100-seat lower house of the state legislature. As Figure 1 shows, the value of the paper money of the Bank of the Commonwealth rose sharply through from early 1825 to early 1826.

With an Old Court majority in the lower house of the state legislature, but with the Governor being a Relief man and the Relief party still in control of the upper house, the state was headed for a period of stalemate tinged with uncertainty. Governor Desha's post-election annual message to the state legislature was an unapologetic defense of the Relief agenda. "The doctrine of our late court of appeals," he said, "that an opinion of the Supreme Court of the United States on subjects involving the rights of the state, is binding and conclusive upon the state authorities, is believed to be not only erroneous but fatal to the sovereignty of the states." According to Old Court men, the Governor, together with another son, Marcus Brutus Desha, brandishing force of arms, threatened and otherwise attempted to intimidate both the lower house and the judges of the Old Court.

In the election, Solomon Sharp, a Relief man and a former Attorney General of the state, won a seat in the state legislature. And, after the gathering of the new legislature, he was murdered in his home by a man identifying himself as "John A. Covington." A reward for the then enormous sum of \$3,000 was offered by the state government for information leading to the arrest and conviction of the murderer. For the reasons listed below by the *Morning Post* of Louisville, Jereboam Beauchamp came to be suspected:

It is said that he [Beauchamp] had conceived an inveterate hostility to Col. Sharpe ... which delicacy forbids us to mention; and that he had under this feeling threatened the life of Col. Sharp.

It is known that he arrived in Frankfort on Saturday evening, before the murder, and departed thence early the next morning.

It is said that he exhibited no curiosity about the affair in the morning before he left town; and that he met the representative of his county a few miles from town on his way to the legislature and conversed with him some time without mentioning this most extraordinary affair.

It is said that he [lodged with Mr. John Scott] on Sunday evening ... [and] that during the night he was heard to go out of the house and to return an hour or two after.

It is said that the patrol at half past one o'clock that night passed and observed a man in a cloak such as Beauchamp wears, and whose appearance agrees with his.

It is said that [the bloody handkerchief that was dropped by the assassin was] just such a handkerchief as Beauchamp had tied round his forehead at a tavern and at Mr. Scott's.

A plain track was found in the yard where Mrs. Sharp saw the assassin ... [and] that track, it is said, corresponds with Beauchamp's boot.

It is said that when he had got near home he denied ever having been at Frankfort. It is said that when he was arrested he had about him a dirk, with rather a broad blade made exceedingly sharp, not so broad as the wound in the deceased, but with which it might have been made if drawn out obliquely.

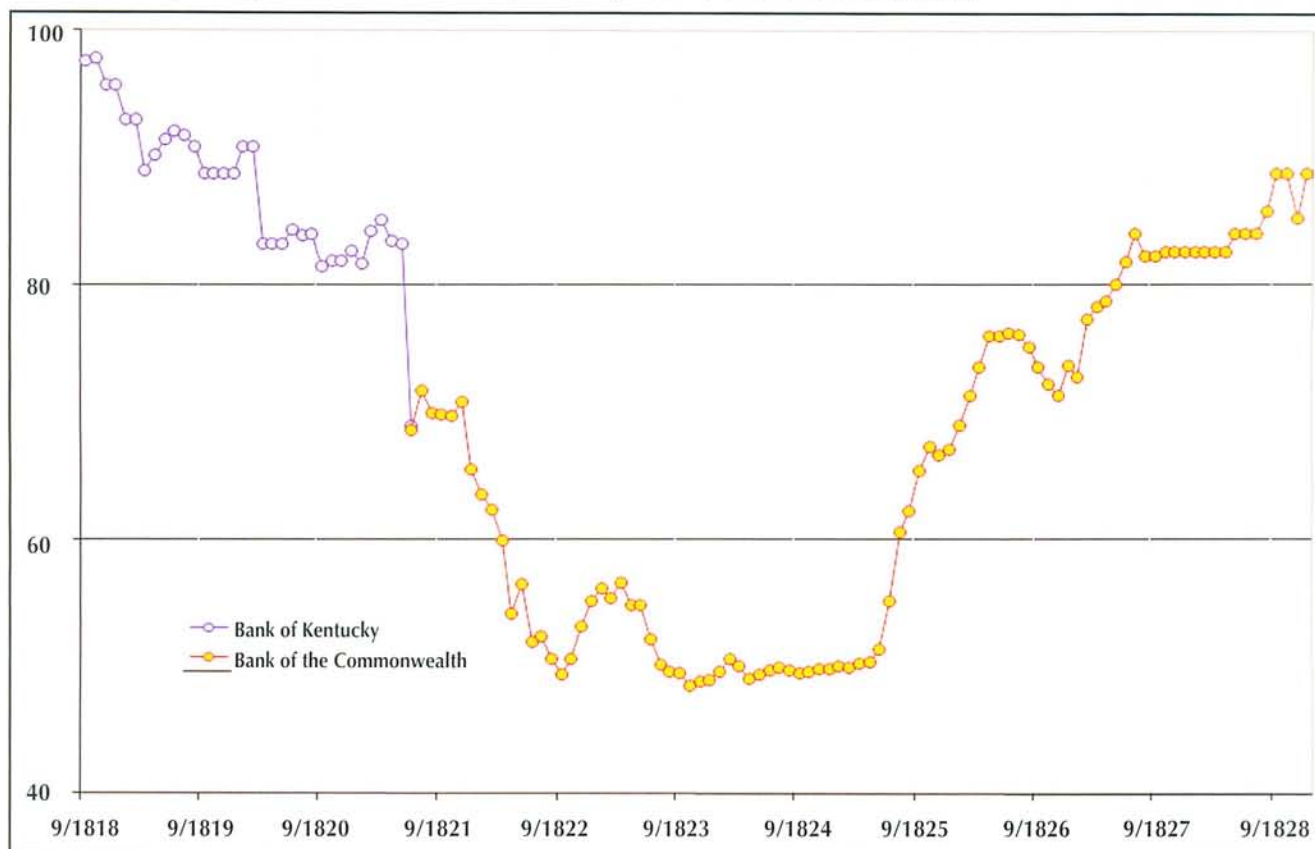
The delicate matter of which the paper did not speak was that Beauchamp's murder of Sharp was an honor killing. Sharp, some years prior, had an affair with the woman whom Beauchamp later married, which affair culminated in a pregnancy and a still-born child. During the election campaign, one of Sharp's people started a rumor that Beauchamp's wife had given birth to a mulatto child, implying that she had an affair with one of her family's servants. Beauchamp was subsequently arrested, tried, convicted, and condemned to death (by a non-Relief judge).

While this murder, investigation and trial were transpiring, the case of Isaac B. Desha was continuing. First, Desha was re-tried, again found guilty, and again granted a new trial. The newspapers of the state were abuzz with discussion of this trial since the judge was temporarily appointed to fill a vacancy by the Governor who knew that this appointee would probably hear preside over his son's case, and because the new trial was granted on a hyper-technical matter of law (on a post-verdict motion by the defense that the Commonwealth Attorney had not proven that the murder took place in Fleming County, which, the Commonwealth Attorney said, was immaterial since that would only have established Fleming County as the venue of the case and the case had already been removed to another County).

Then, while on bail waiting yet another trial, and apparently keeping himself continuously intoxicated, Desha attempted to commit suicide, and cut his throat badly. The news of this attempted suicide was reported at the same time as that of Beauchamp's execution. The physicians who attended Desha were able to save his life with the aid of a silver tube connecting his severed windpipe, and his case was continued pending his recovery.

Beauchamps' execution was a spectacle. His wife, the woman for whom he had committed his crime, joined him in his prison cell the evening prior to his scheduled execution, and they attempted to commit suicide together by stabbing themselves. She was successful but he was not nearly so. The next morning, when they were discovered, he was bandaged up and then taken to the scaffolding that had been erected. There, after the requisite prayers and hymns, and also after an exchange with a person thought to have been involved in the murder which led eventually to yet another twist in the story, he was hanged. The Beauchamp-Sharp affair would become romanticized as "The Kentucky

FIGURE 1. Specie-value of Kentucky Banknotes (Frankfort *Argus and Commentator*, Lexington *Gazette*, *Reporter and Western Monitor*, Louisville *Focus*, *Morning Call* and *Public Advertiser*; and, Grotjan's and U.S. *Gazette* of Philadelphia)



Tragedy,” and gain a life of its own in poetry, literature and theater.

The Sharp murder dominated the election of 1826. In the election, the Old Court party gained control of the upper house of the state legislature and retained control of the lower house. The new state legislature subsequently repealed the state’s replevy law and resolved the court controversy in favor of the “Old Court.” And, the notes of the Bank of the Commonwealth lost much of their remaining “moneyness.”

WRAPPING THINGS UP

From the standpoint of money and banking, Kentucky’s experience with irredeemable paper money led, eventually, to a new majority in the state, one favoring sound money and the upholding of contractual obligations. The support of sound money meant, during the remaining term of the Bank of the United States, that the unit of account and the main medium of exchange in the state were coins and the notes of the branches of the Bank of the United States in the state.

Following President Jackson’s veto of the re-chartering of the Bank of the United States, the state chartered three large, well-capitalized banks, the (new) Bank of Kentucky, the Bank of Louisville, and the Northern Bank of Kentucky. These and other banks subsequently chartered by the state were required to maintain a specie reserve. With but a couple exceptions, they were specie-paying banks through the remaining antebellum period except for times of general suspension in the country.

Turning to Isaac B. Desha, he recovered enough so that, in mid 1827, he could again be tried. However, the court was unable to empanel a jury as his lawyers made many preemptory challenges of prospective members. The judge

in this trial, who was not a Relief man, was going to hold Desha without bail until the next session of the court. But, Governor Desha, who was present in the court house at the time, proceeded to grant his son a pardon, and give a long speech lambasting the judge.

Following his release, Isaac B. Desha next showed up in the newspapers in conjunction with the murder and highway robbery of another person, in Texas, where he was traveling under an alias but recognized by a former Kentuckian by reason of family resemblance and his silver tube. While awaiting trial there, he "confessed" to his true identity. The reporter or editor worded this so as to further incriminate him, and then he apparently committed suicide. A letter from Texas provides the following details:

Last April Desha arrived here on board the schooner *Light of Man*, from New Orleans, in company of a man by the name of Thomas or John Early, of Brown County, Ohio, who visited this country for the purpose of removing his family here. Desha passed by the name of John Parker. They arrived in this town [San Felipe de Austin] early in May, and remained only a few days here, and left ... for San Antonio. When they left, Desha was without funds and Early had a pretty smart sum with him. Desha arrived in San Antonio without Early, and spent the money freely. On his return to this place, I had him arrested, and sent some men today to examine for the body of said Early. The evidence that I have been able to collect, as yet, is very strong against him, and I am very much afraid that he has murdered his companion.

Finally, I will mention that, in the elections of 1828, an Old Court man, Thomas Metcalf, was elected to succeed Governor Desha. In his first annual message to the state legislature, Governor Metcalf spoke to the proper role of government in light of the ordeal through which the state had passed.

The legitimate design of the best government is to preserve to all the citizens equal enjoyment of the absolute rights of personal security and private property, and the relative rights, civil, social and domestic, of rational and virtuous freemen ...

Kentucky has unhappily, for years past, been harassed by angry controversy. This conflict has left but little worthy to be remembered ...

Public opinion acknowledges no superior ... it is the arbiter, in the last resort, of all our rights ...

What then are the elements of our political power and safety? The aggregate mind and morals of our freemen. The wise man clings to reason and justice and religion ... as the strong anchor[s] of liberty. Without the prevalence of these peaceful guardians, he has no security and no rational hope. Whenever these predominate, there is "no one to make him afraid." So long as they exercise a controlling influence, he knows that his peace will be undisturbed, his rights respected, and his country exalted.

Governor Metcalf expressed the "Old Court" or Constitutionalist view of the rights of man. To be sure, public opinion is acknowledged to be the final arbiter of our rights. But, while this much is admitted, public opinion does not define our rights. Our rights, some of which are absolute, exist independently of public opinion. Accordingly, we need to anchor public opinion in reason, justice and religion. Otherwise, I will add, our hope is that, when public policies violate our rights to be secure in our persons and our property, public opinion will change upon the demonstration of the disastrous consequences of those policies, in terms, yes, of poor economic performance, but also in terms of political conflict and social upheaval.



An Invitation from

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Q. DAVID BOWERS and **DAVID M. SUNDMAN** are involved in a long-term project to describe the history of all currency issued in the State of New Hampshire, as well as to compile a detailed registry of all known notes (whether for sale or not). Our area of interest ranges from early colonial times through the Revolutionary era, the state-chartered bank years (1792-1866), and the era of National Banks (1863-1935). This will result in a book under the imprimatur of the Society of Paper Money Collectors, with help from the New Hampshire Historical Society, the Smithsonian Institution, and others.

Apart from the above, David M. Sundman is president of Littleton Coin Company and Q. David Bowers is a principal of American Numismatic Rarities, LLC, and both advertisers in the present book. For other commercial transactions and business, refer to those advertisements.



The authors of the present book, holding a rare Series of 1902 \$10 National Bank Note from West Derry, New Hampshire.



A typical NH Obsolete Note, this from the Winchester Bank.



A Series of 1882 \$10 Brown Back from the Winchester National Bank.



This same building was used for the Winchester Bank and its successor, the Winchester National Bank.



Teller window circa 1910, Winchester National Bank

If you have New Hampshire currency or old records or correspondence relating to the same, or other items of historical interest, please contact us. In addition, Bowers and Sundman are avid collectors of these bills and welcome contact from anyone having items for sale. We will pay strong prices for any items we need!

Visit the NH Currency Study Project website: www.nhcurrency.com. Find a listing of New Hampshire banks that issued currency, read sample chapters, and more.

We look forward to hearing from you!

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THE BUCK Starts Here

A Primer for Collectors
BY GENE HESSLER

Euros swallow up national heroes

FIVE YEARS AGO MARKED A BEGINNING AND AN ending. The time had arrived for countries within the European Union to share a common currency, both coins and paper money, called the Euro.

During the past 150 years, engravers at security companies and central banks around the world, including those to be mentioned, have created beautiful bank note images. With the introduction of Euro paper money in 2002, participating countries lost their identity as heretofore-portrayed on bank notes.

The Euro notes, designed by Robert Kalina in Austria, are extremely attractive, however, they purposely lack the individuality that in the past identified the bank notes of Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Three additional members of this European Union, Great Britain, Denmark and Sweden continue to use their own currency.

In Austria the 5000 schilling with the image of Mozart, the 50 schilling with Sigmund Freud and the notes with other famous Austrians have disappeared. The Belgian 200-franc note with Adolph Sax, the inventor of the saxophone, is gone. Composer Jean Sibelius, honored by Finland on its 100 markkaa note, can join Mozart, composer Bellini (Italy 5000 lire, above) and composer and pianist Clara Schumann (Germany 100 marks) in bank note obscurity. All can pay homage and commune with Apollo (Greece 1000 drachmai) the god of music.

Paul Cézanne (France 100 francs), Raphael (Italy 500,000 lire) and Caravaggio (Italy 100,000 lire, above), artists all, have

retreated to their studios. Marie and Paul Curie (France 500 francs) have been banished to their laboratories.

Without the architects Giovanni Lorenzo Bernini (Italy 50,000 lire), Otto Wagner (Austria 500 schillings), Neuman (Germany 50 marks) and Alexandre Gustave Eiffel (France 200 francs), Europe would lack some artistic landmarks.

A. von Droste-Hülshoff (Germany 20 marks), Antoine de Saint-Exupéry, (France 50 francs) and the Brothers Grimm, (Germany 1000 marks), especially the latter, gave us reading pleasure as children.

The world took shape from the voyages of Portuguese navigators and discoverers Henry the Navigator (10,000 escudos), Vasco da Gama (5000 escudos), Bartolomeu Diaz (2000 escudos), P. Alvares Cabral (1000 escudos), Spain's Hernando Cortez and Francisco Pizarro (1000 pesetas), and Italy's Columbus (Spain 5000 pesetas).

These explorers and others brought back flora and fauna for scientists and botanists to study and classify: J.C. Mutis (Spain 2000 pesetas) and Maria S. Merian (Germany 500 marks).

The Euro is being printed in at least six locations. Moneda & Timbre in Madrid produces notes for Spain; Joh.

Enschede, in the Netherlands, prints notes for the Netherlands and Belgium; Giesecke Devrient, and the Bundesdruckerei provides notes for Austria and Germany; Thomas De La Rue was chosen to provide notes for Luxembourg; and Portugal receives its notes from Oberthur in France. One of the aforementioned sources will



provide notes for Finland, Greece, Ireland and Italy. For security and tracking purposes, I suspect there will be some minute identifying mark for each printing location.

In the future I hope that the children in countries of the European Union will be told of how their countries once honored some of their countrymen and women who helped to shape civilization.

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Circulation find: Collector receives “split” bill in change

Dear Fred:

I have been carrying around this dollar bill since 1995. I always thought it was just a fake, but I am starting to think it is not. I have been researching paper money and can not find anything like it. Could you please look at it and give me your opinion. My Thoughts: The dollar is two separate pieces of paper. The paper appears to be the same as other money (small fibers). It has adhesive in the middle. I think it was in a section where paper was spliced together and was suppose to be thrown out.

My dollar bill appears to be a unique error. I received the note new around



1996 as change from a toy store in California. I vividly remember the look on the young girl's face when she handed it to me. I noticed it was very thick. Upon closer look, I realized it was two pieces of paper with a very thick adhesive in the middle. I showed it to friends and family and everyone told me it was counterfeit.

I have always been puzzled by the detail of the note and why someone would have the ability to print so well and lack the ability to print two sides. I finally took it to the Navy Federal Credit Union to more or less turn in or report. The teller explained to me that she was not able to give me another dollar for it. She proceeded to say it was counterfeit and all

they would do was throw it away. I told her I would like to keep it and went on my way.

Over the years I have kept it in a small pocket in my wallet and brought it out as a conversation piece. Recently it came out of hiding again and I realized it was in very good shape for a counterfeit. Of course now, the internet is my main source of research and information. I started looking for others like it and e-mailing experts in the field. I received many e-mails from people who had no idea what it was and some still continued to say it was counterfeit. I finally received a couple of emails that explained what exactly it was. It turns out to be an “end of roll splice error”. I finally found a couple other examples and for the first time I saw a couple pictures of the same type of error.

The note is not in too bad of



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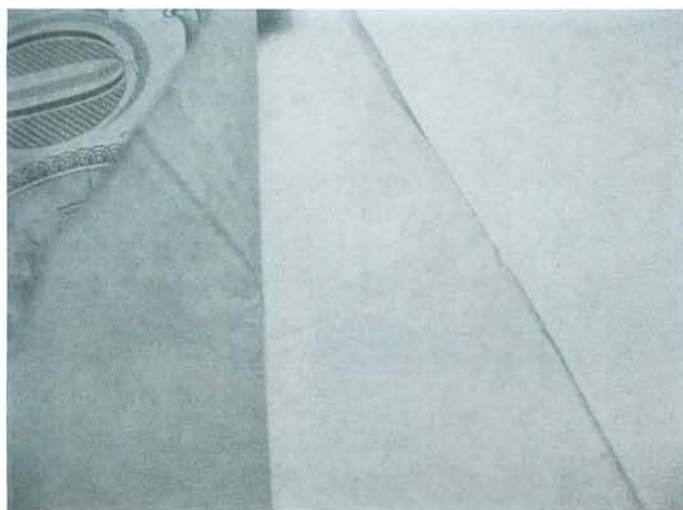


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shape which I do know makes a big difference in value. One thing I do know from my research is that it is very unique. Others like it are in two pieces or just a very tiny adhesive mark. Mine has a very large amount of adhesive (60%) and is two complete pieces back and front.

This is the first time I have put this story together since the day I received the note. I would love to get it in the magazine and have the chance to tell my story to others. I have not attempted to clean the note. I put it between two pieces of paper and in the middle of a hard back book. Sorry for such a long story, but I think it is an important part of the note's history. I wish I would have preserved it years ago.

Thanks for taking the time to read my email.

-- Don Fox

Editor's Note: Error currency expert Fred Bart confirms this unusual Federal Reserve Note's origin. He wrote: "Don's note consists of two separate pieces of paper; one from the tail end of one roll, the other from the head of the next roll. Crane actually supplies the BEP with paper in roll form. It is cut into sheets at the Bureau. Affixing one sheet to the next is a transverse band of turquoise-color adhesive, similar to paper tape used for wrapping packages. This overlapping section (with the adhesive) should have been discarded, rather than used as a sheet. Occasionally the weld or glue fails after being released but such is not the case here. We have seen other examples, which are worth several hundreds of dollars. Regards,

-- Frederick J. Bart ❖

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Emanuel Ninger

An "Honest" Counterfeiter?

by Harrison Knowlton

EMANUEL NINGER, ALSO KNOWN AS "Jim the Penman" (at right), was a German painter and impressionist. Ninger moved to America with a nice sum of money, which was soon gone. This was the start of Emanuel Ninger's counterfeiting career.

Ninger chose a bond paper — the best of its kind — manufactured by Crane & Company of Massachusetts, who also supplied the bond paper for the United States government... and still does today. However, the paper available to Ninger did not have, of course, the red and blue fibers embedded. Only the paper sold to the government had this special characteristic.

Once he cut the paper to the appropriate size, Ninger would soak it in a bath of weak coffee. This gave it a moderately circulated look and feel. While the paper was still wet, Ninger would lay it over a genuine note and begin to trace.

The lathe work (more intricate detail) was only suggested by Ninger, and even with this method, he was still under the impression his notes were better than that of the Bureau. Although this process was tedious, the real work began when Ninger had to color each note with a camel-hair brush and fake the red and blue fibers with ink.

Ninger was known for omitting the credit line, "Engraved & Printed at the Bureau, Engraving & Printing" and the "Act of March 3, 1863." (This act of Congress stated, "The United States will pay to bearer ____ dollars. This note is legal tender at its face value for all debts public and private, except

duties on imports and interest on the public debt.")

It is believed by some that he did not use this information in an effort to be somewhat "honest."

For more than 15 years Ninger successfully counterfeited \$50s and \$100s. One evening while relaxing at a local saloon before taking the ferry home, he requested change from the bartender. Ninger left and the bartender retrieved the note off the wet counter.

As he placed the note in the till, he saw his fingertips were smeared with ink. Moments later the police found Ninger counting his change on the ferry. Ninger was arrested and sentenced to six years in prison and a one-dollar fine.

A Secret Service officer once said after seeing Ninger's studio, "The simplest outfit, and yet it produced the most dangerous counterfeits, that I ever saw."



For many years one of Ninger's fakes (above) was on display at the Smithsonian Institution National Numismatic Collection exhibition in the Hall of Monetary History.



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8th Annual George W. Wait Memorial Prize

Society of Paper Money Collectors Official Announcement

Purpose: The Society of Paper Money Collectors is chartered "to promote, stimulate, and advance the study of paper money and other financial documents in all their branches, along educational, historical and scientific lines."

The George W. Wait Memorial Prize is available annually to assist researchers engaged in important research leading to publication of book length works in the paper money field.

George W. Wait, a founder and former SPMC President, was instrumental in launching the Society's successful publishing program. The George W. Wait Memorial Prize is established to memorialize his achievements/contributions to this field in perpetuity.

Award: \$500 will be awarded in unrestricted research grant(s). Note: the Awards Committee may decide to award this amount to a single applicant, or lesser amounts totaling \$500 to more than one applicant. If, in the opinion of the Awards Committee, no qualifying applicant is found, funds will be held over.

Prior Award Winners: five individuals and one group have thus far been awarded the Wait Memorial Prize. Each received the maximum award. 1st annual Wait winner was Robert S. Neale for a book on antebellum Bank of Cape Fear, NC. The 2nd went to Forrest Daniel for a manuscript on small size War of 1812 Treasury Notes, publication of which is pending. Gene Hessler was honored for a book on international bank note engravers that has recently been published. Honorees also included R. Shawn Hewitt and Charles Parrish for a book on Minnesota obsolete notes, and Michael Reynard for a book on check collecting, and Matt Janzen for a work on Wisconsin nationals. In one year, no award was made.

Eligibility: *Anyone engaged in important research on paper money subjects is eligible to apply for the prize.* Paper Money for the purposes of this award is to be defined broadly. In this context paper money is construed to mean U.S. federal currency, bonds, checks and other obligations; National Currency and National Banks; state-chartered banks of issue, obsolete notes, bonds, checks and other scrip of such banks; or railroads, municipalities, states, or other chartered corporations; private scrip; currency substitutes; essays, proofs or specimens; or similar items from abroad; or the engraving, production or counterfeiting of paper money and related items; or financial history in which the study of financial obligations such as paper money is integral.

Deadline for entries: March 15, 2008

A successful applicant must furnish sufficient information to demonstrate to the Society of Paper Money Collectors Awards Committee the importance of the research, the seriousness of the applicant, and the likelihood that such will be published

for the consumption of the membership of SPMC and the public generally.

The applicant's track record of research and publication will be taken into account in making the award.

A single applicant may submit up to two entries in a single year. Each entry must be full and complete in itself. It must be packaged separately and submitted separately. All rules must be followed with respect to each entry, or disqualification of the non-conforming entry will result.

Additional rules: The Wait Memorial Prize may be awarded to a single applicant for the same project more than once; however awards for a single project will not be given to a single applicant more than once in five years, and no applicant may win the Wait Memorial Prize in consecutive years.

An applicant who does not win an annual prize may submit an updated entry of the non-winning project in a subsequent year. Two or more applicants may submit a single entry for the Wait Prize. No members of the SPMC Awards Committee may apply for the Wait Memorial Prize in a year he/she is a member of the awarding committee.

Winner agrees to acknowledge the assistance of the Society of Paper Money Collectors and the receipt of its George W. Wait Memorial Prize in any publication of research assisted by receipt of this award and to furnish a copy of any such publication to the SPMC library.

Entries must include:

- the full name of the applicant(s)
- a permanent address for each applicant
- a telephone number for each applicant
- the title of the research project/book
- sufficient written material of the scope and progress of the project thus far, including published samples of portions of the research project, if appropriate

Entries may also include:

- the applicant's SPMC membership number(s)
- the applicant's e-mail address (if available)
- a bibliography and/or samples of the applicant's past published paper money research
- a photograph of each applicant suitable for publicity
- a publishable photograph(s) of paper money integral to the applicant's research
- a statement of publishability for the project under consideration from a recognized publisher

Judging: All entries must be received by March 15, 2008. All entries must be complete when submitted, and sufficient return postage should be included if return is desired. Address entries to SPMC, attn. Fred Reed, George W. Wait Memorial Prize, P.O. Box 793941, Dallas, TX 75379.

The single, over-riding criterion for the awarding of the Wait Memorial Prize will be the importance of publication of the applicant's research to SPMC members and general public. All decisions of the Awards Committee will be final.

Announcement of the awarding of the Wait Memorial Prize will be in the May/June 2008 issue of *Paper Money*, with subsequent news release to additional media. ❖

Consider your book's goals

WHEN PEOPLE WRITE BOOKS, THEY HAVE GOALS they want to achieve, such as: recruiting people to collect what they collect or wanting others to appreciate what they appreciate. Authors may want personal recognition as a leader in their field. They may want to contribute to society. Or they may just like to be paid for their efforts. Of course, when more than one author contributes to a book they each may have different goals.

It is important for an author to be honest with himself about goals, because goals should dictate the best format, pricing, and publisher of their book and any updates. Hopefully a few examples will illustrate the point. *Standard guide to Small-Size U.S. Paper Money* now written by Schwartz and Lindquist is published by Krause and is being updated every few years. Although no other book covers small size U.S. currency in the same detail, this book is essentially a price guide. Some new varieties have been added, but most of the value of this book comes from listing market prices. It is just about the minimal size needed for such a book, does not have color photos, and is published by Krause. With these choices, the authors have made sure the book will reach a broad base of collectors at a minimal price.

We can compare this to *Silent Witnesses: Civilian Camp Money of World War II* by Ray Feller and Steve Feller. One of the major goals of this book is to foster appreciation of World War II civilian camp money. Although it may have not been an explicit goal, my guess is that a secondary goal of the authors is to contribute to society. Ray and Steve have written a book full of photos and color scans that add

SPMC Librarian's Notes

By Jeff Brueggeman, PhD

in a major way to the presentation of the material. In addition, they have chosen the perfect publisher in BNR Press. BNR Press has an expertise in this area. While it would be great for this book to gain access to chains such as Barnes & Nobles, it would not have nearly the public appeal as the Schwartz and Lindquist book.

For a third example, consider Pierre Fricke's *Collecting Confederate Paper Money* which was published by R.M. Smythe. Pierre's main goal seems to be to increase the number of collectors of Confederate paper money. He has attained this goal in several ways. In his book, he explicitly gives several ways to collect Confederate money. He has difficult goals, easy goals, and expensive goals. He also furthered his interests by having R.M. Smythe as the publisher. In addition to publishing, R.M. Smythe is also an auctioneer and retail seller of Confederate material whose goal as a company is not profit above all else. So Pierre has aligned his interests with those of his publisher. Although it is a very large book, the price is very reasonable. Pierre and R.M. Smythe may have been able to make a larger profit per book, but they chose to position the price so as to make a reasonable profit and sell many books. In addition to this, Pierre has added a \$10 e-Book edition of his book on his website. Providing this option is an easy and inexpensive way for anyone to learn about Confederate paper money.

Hopefully authors will be honest with themselves concerning their true goals, and will not choose price points and formats which maximize the economic benefits of writing their books. After the book has been written, authors may try to think of what the material is worth to a collector or dealer. If the goal of an author is to have more people appreciate the material, think instead of what it would take to get a more casual reader to pick up your book. ♦

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"Certified and Graded Notes"

I DIDN'T LIKE THE IDEA OF PACKAGING NOTES in plastic envelopes from the very beginning. It only made sense to me where very large quantities of a particular note existed. For example, if there were 1,000 \$10 Bison notes extant, grading from rags to Gem Uncirculated, then it is logical that condition of the notes would have a major bearing on their individual values.

The numismatic hobby is rife with stories of enthusiastic newcomers who bought without understanding the grade or condition of a note, but relied on the seller's grade and price. Later to discover when they tried to sell the note that it really wasn't the grade or value they had paid for. Thus they became discouraged and gave up the hobby. Therefore to add assurance to novice buyers or "investors" looking to flip notes for a profit, the need for a universally accepted grading service existed.

If a note is rare, the principal part of its value is in its rarity. A unique note probably has the same value whether it is graded VF 35 or AU 55. Who cares what number was assigned by some grader? I cringe when I see rare notes packaged and graded GOOD or FINE



It occurs to me...

Steve Whitfield

15, etc. The packaging makes it difficult for a knowledgeable collector to properly evaluate the note. It also constricts the venues for exhibiting the note.

And there are only arbitrary "standards" for grading in the first place. Different graders frequently mean different grades for the very same note.

For example, a recommended way to "make money" for coin collectors is to "crack out" large numbers of graded coins and resubmit them to another grading service in hopes of getting higher grades assigned. There is enough potential of getting a higher grade that it makes it worthwhile to pay the grading fees over and over until someone gives your coin the grade you want. This may already be happening in notes and, if not, it probably will.

The problem is amplified because of the very large pricing differences between number grades from MS 60 to MS 70. A note graded MS 67 can be priced hundreds, if not thousands, of dollars more than one graded MS 66. I have trouble believing that anyone can tell the difference, consistently, between a grade of 66 and 67.

The bottom line is, if you are going to be spending large amounts of money on rare bank notes, you should first take the time to learn how to grade and authenticate them yourself. Then if you feel more comfortable with a grading service number and a plastic holder, go ahead and have it graded. At least you'll know in advance what the grade should be.

That's how it looks to me anyway. If you have different views on grading paper money let me know. You can write to me in care of the Editor. He'll forward your responses.

-- Steve Whitfield

The Editor's Notebook

Fred L. Reed III



fred@spmc.org

Paper Money lauded

THIS YEAR ONCE AGAIN OUR SPMC JOURNAL was recognized by outsiders as being one of the best in our hobby. We would like to thank the American Numismatic Association and the Numismatic Literary Guild for these laurels, which truly honor the writers whose works appeared in *Paper Money* in 2006/07. Take a bow; you know who you are. Since this is practically an annual affair, it goes far to prove my contention that our authors are the best in the business. May their numbers providentially increase!

This time around, ANA's club publications contest voted *Paper Money* its third-place award in national club publications, behind the *Casino Chip* magazine and the John Reich journal, which both deserve congratulations. NLG cited our Jan/Feb 2007 issue on Alexander Hamilton as its Best Issue among large club publications (a category which also includes the magazines produced by the ANA and the ANS). Since that issue was a joint effort of the Society and the Museum of American Finance, our hats are off to Kristin Aguilera, editor of *Financial History*, and our Vice President Mark Anderson who served as liaison in the effort. Illustrations of the awards may be viewed in a future issue of this publication.

NLG also awarded past *Paper Money* Editor Gene Hessler its coveted highest honor "The Clemmy" for his lifetime contributions to numismatic research and publication. Gene is, of course, the author of several award winning books including *The Comprehensive Catalog of U.S. Paper Money* (7 editions); *The Engraver's Line, an encyclopedia of paper money and postage stamp art*; *An Illustrated History of U.S. Loans, 1775-1893*; *U.S. Essay, Proof and Specimen Notes* (two editions); *The International Engraver's Line*, and many hundreds of research and feature articles. He has also been a columnist for *The Numismatist* and *Coin World*. He edited this journal for more than 14 years. Our Society has awarded him two Nathan Gold Memorial Lifetime Achievement Awards, an Award of Merit, several literary awards and numerous Julian Blanchard Awards. He is currently in his 21st year of service on our Board.

I've been proud to call Gene a friend for more than 30 years, and consider him the greatest living U.S. paper money scholar. I am eagerly anticipating his next book venture. After five years of work, Gene is on the verge of publishing his autobiography, which covers his years as a professional musician at Carnegie Hall and with touring bands, his stints as curator of the Chase National Bank Money Museum and Eric Newman's first money museum in St. Louis, as well as his internationally acclaimed research and publishing ventures. This one should be one good read, as they say.

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- Encourages public awareness and education regarding the hobby of Paper Money Collecting.
- Sponsors the John Hickman National Currency Exhibit Award each June at the Memphis Paper Money Convention, as well as Paper Money classes at the A.N.A.'s Summer Seminar series.
- Publishes several "How to Collect" booklets regarding currency and related paper items. Availability of these booklets can be found in the Membership Directory or on our Web Site.
- Is a proud supporter of the Society of Paper Money Collectors.

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OK. If you know me for more than ten minutes, you realize that I am not "technology-driven." I don't dislike computers – I just see them as useful tools. It wouldn't be possible to present the wonderful currency that we sell to 300,000+ possible clients in any other manner. Plus, computers are great tools for preparing our catalogs, as they allow me to focus on describing the notes and not worry about production issues. With your free membership at HA.com, you can view all the information on *every* one of 200,000+ currency lots that we've auctioned over the last decade (catalog descriptions, full-color enlargeable images, and prices realized). Finally, our incredible images could only be delivered through the Worldwide Web. Great technology.

Still, I see all of Heritage's technological leadership as tools to be used to reinforce personal relationships, with both our consignors and bidders. Yes, it's easier to reach more people with a superior product, but we never forget that our clients buy their notes from *people* they trust. Everything that Len and I do is designed to reinforce that trust, and has been from the first. We're not neo-Luddites, we just prefer people! We personally enjoy leading Heritage's currency team, in every aspect of examining, researching, lotting, and cataloging – all so we can sell your notes for top dollar. We especially appreciate more people bidding – and Heritage sells more rare currency to more collectors (versus only dealers bidding for inventory) than any other auction firm.

Our bidders demand fresh material, and we depend on our long-standing personal relationships to bring important consignments to market. For decades, Len and I have known the players. We speak their language, and we understand their motivations for collecting – and ultimately for selling. Most of these are business relationships, but they are also friends. We helped them grow in the hobby, in knowledge and experience. As important as it was to help build a great collection, our service to our clients doesn't end until we help them realize the maximum prices in the marketplace. Heritage's technological leadership certainly helps them make the selling decision, as they recognize the importance of reaching the maximum number of qualified bidders in setting price records. The pride they felt in assembling an important collection is matched by their pride in selling in the highest quality catalog – and one that is forever enshrined in our *Permanent Auction Archives* at HA.com.

Len and I have been generous with our time over many decades helping several generations of collectors. We have sold hundreds of millions of dollars of rare currency, but serving our clients has never ended with simply *selling*. We are all just temporary guardians of these numismatic treasures, and someday the pride of ownership will pass to new collectors. Our job isn't finished until our successful buyers become successful sellers; until their buying decisions are validated by new bidders willing to pay top dollar to share in that pride of ownership. To that end, Heritage's technology has become an *indispensable* tool!

You'll just have to forgive me if I would rather talk to you on the phone than IM or email. And when the time comes to sell the important collections we have helped assemble, Len and I would rather personally come to your bank, home, or office. We want to look you in the eye when we decide together whether auction or private-treaty is your best option. That's part of how we define *service*. And while other dealers can provide personal service, nobody else has Heritage's technological leadership to back it up!

If you have any questions, please give us a call.



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